

## By Mr. QUIE:

H. R. 11604. A bill to authorize construction of a building in Winona, Minn., to house the Federal post office and Federal and county courtrooms and offices; to the Committee on Public Works.

H. R. 11605. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

## By Mr. RADWAN:

H. R. 11606. A bill to amend the Federal-Aid Highway Act of 1956 to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

## By Mr. REUSS:

H. R. 11607. A bill to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended; to the Committee on Merchant Marine and Fisheries.

## By Mr. VINSON:

H. R. 11608. A bill to amend part IV of subtitle C of title 10, United States Code, to authorize the Secretary of the Navy to take possession of the naval oil shale reserves, and for other purposes; to the Committee on Armed Services.

## By Mr. WEAVER:

H. R. 11609. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

H. R. 11610. A bill to provide for the conversion of surplus grain owned by the Commodity Credit Corporation into industrial alcohol for stockpiling purposes; to the Committee on Agriculture.

## By Mr. O'HARA of Illinois:

H. Res. 509. Resolution favoring the application of the principle of self-determination to the people of Cyprus; to the Committee on Foreign Affairs.

## MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. HOLIFIELD: Memorial of the Assembly and Senate of the State of California, jointly resolved, that the Congress of the United States is respectfully memorialized to continue undiminished its program of financial assistance to school districts experiencing excessive growth due to Federal activities as provided in Public Law 815 and Public Law 874 of the 81st Congress; to the Committee on Education and Labor.

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States, relative to harbors of refuge

for small craft; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to Federal aid to schools; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States to implement the Federal Flood Insurance Act of 1956; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States to maintain the manpower level of the National Guard at a minimum of 400,000; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States to establish three time zones within the continental limits of the United States; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States to extend Public Law 550, 82d Congress, relating to education and training benefits, to service men and women as long as the draft continues; to the Committee on Veterans' Affairs.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to enact legislation protecting textile, fishing, and other historic industries; to the Committee on Ways and Means.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

## By Mr. ASPINALL:

H. R. 11611. A bill for the relief of McCune C. Ott; to the Committee on the Judiciary.

## By Mr. CRETTELLA:

H. R. 11612. A bill for the relief of Santina Maria Frate; to the Committee on the Judiciary.

## By Mr. HYDE:

H. R. 11613. A bill for the relief of Antonio Tovera Ramos; to the Committee on the Judiciary.

## By Mr. REUSS:

H. R. 11614. A bill for the relief of Demetria Spiropoulos; to the Committee on the Judiciary.

## By Mr. THOMAS:

H. R. 11615. A bill for the relief of Benjamin G. Enloe; to the Committee on the Judiciary.

H. R. 11616. A bill for the relief of Mrs. Lena F. Shelton; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

485. By Mr. HOLIFIELD: Petition of the Reverend Elmo L. Black, minister of the Fetterly Avenue Church of Christ and 27 other members of that church urging the Congress to pass the Siler bill, H. R. 4835, to remove the advertising of alcoholic beverages from television and radio; to the Committee on Interstate and Foreign Commerce.

486. Also, petition of the Richard L. Luy Post 397, American Legion, Monterey Park, Department of California, requesting the Congress to vigorously oppose any attempts to reduce the appropriations needed to provide necessary medical and hospital facilities; and to pay adequate compensation and pensions; to the Committee on Veterans' Affairs.

487. By Mr. NIMTZ: Petition of Mrs. A. D. Shaffer and 22 other members of the Woman's Christian Temperance Union of South Bend, Ind., urging the passage of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

488. Also, petition of Almeda Geyer, of Nappanee, Ind., and 350 other citizens of New Paris, Wakarusa, Etna Green, Milford, Leesburg, Elkhart, and Goshen, Ind., requesting relief from the invasion of their homes by advertising of the alcoholic beverage industry, and urging the adoption of legislation to remove this advertising from the channels of interstate commerce and over the air; to the Committee on Interstate and Foreign Commerce.

489. By the SPEAKER: Petition of Mrs. H. T. Hessler, Harrisburg, Pa., requesting enactment of the bill H. R. 7798, to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to provide for the safety of chemical additives in food; to the Committee on Interstate and Foreign Commerce.

490. Also, petition of Dr. Robert H. Ellis and others, Portland, Oreg., relative to a redress of grievance relating to the House Committee on Un-American Activities; to the Committee on Rules.

491. Also, petition of the city manager, Troy, Mich., urging the removal of the excise tax on automobiles; to the Committee on Ways and Means.

492. Also, petition of the deputy clerk, Board of Supervisors, Los Angeles, Calif., requesting the removal of the excise tax on all telephone service; to the Committee on Ways and Means.

493. Also, petition of the county clerk, county of Hawaii, Hilo, T. H., requesting that Congress give favorable consideration to the bill H. R. 11308; to the Committee on Merchant Marine and Fisheries.

## EXTENSIONS OF REMARKS

## Address by Hon. William F. Knowland, of California

EXTENSION OF REMARKS  
OF

## HON. WILLIAM F. KNOWLAND

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Monday, March 24, 1958

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed

in the CONGRESSIONAL RECORD an address I delivered in Oakland, Calif., on Friday, March 21, 1958.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

## ADDRESS BY SENATOR WILLIAM F. KNOWLAND

Fellow Californians, 1958 is a year of decision for the people of the United States of which our own State of California is such an important and dynamic part.

The decisions we make, political and economic, may well set the pattern from which there is no turning back.

Neither regimentation nor coercion have any place in this great free process. Once the curtain is closed behind the voter's back and he or she is alone the questions to be answered are:

What is best for our country?

What is best for California?

No political, business, or labor boss can control our individual vote at this rendezvous with destiny.

As a people our problems are great, but so are our opportunities.

We are in the midst of an economic dislocation. How long it continues, how deep it becomes, what will come later will depend

to a considerable extent on whether we measure up to our responsibilities.

Launching our economy into the unexplored spaces of astronomical Federal spending, deficits, and debts would be as fatal to our economic and political system as it was to the canine passenger aboard mutnik during its journey into outer space.

The fact that the doctor may prescribe patient does not mean that 4 or 10 times the dosage self-administered will be that many times better. It could kill the invalid rather than helping to cure him.

As of this date, we still have more than 60 million Americans gainfully employed.

California need not trail in recovery. We can be one of the leaders.

What we do in this State will have a great impact on the economy of the Nation, and, of course, we will respond to developments 1 pill or capsule for the recovery of the elsewhere.

Our population is now over 14 million, or 8.2 percent of the Nation's 170,333,000. California pays over \$6½ billion in Federal internal-revenue taxes, or 8.29 percent of the Nation's total internal-revenue collections.

The Federal taxes we pay are more than 3 times the amount of our \$2 billion State budget.

The friction loss that takes place in a California tax dollar going to Washington and returning as a grant is substantial.

We are second in population in the American Union and by 1970 we will have a population of over 22 million people and will be first.

There are 82 members of the United Nations. At the present time California is larger in population than 56 of these nations.

In January of this year employment in California totaled 5,457,000, which was 21,000 less than the same month last year. It was, however, the second highest January employment in the State's history.

The impact of increased home construction, expedited defense spending, acceleration of the highway program and a number of reclamation and flood-control projects is already being felt in California.

These steps together with the action of the San Francisco Federal Reserve Bank in lowering its discount rate and coming into conformity with the other Reserve districts should provide considerable stimulation to our economy.

In our free society we must not depend upon Government action alone. The cumulative effect of the multiplied individual economic decisions of the people is of primary importance.

Many thousands of families have been waiting to build or buy a new home or to remodel the present one. This is the time to show confidence in America's future.

California is a highly diversified State. Many of the problems that are to be found in agriculture or industry in the other 47 States can be found within our borders.

Our State has made substantial progress in our elementary and secondary local school system under the constitutional guarantees for their financial support.

As a member of the legislature I played an active part in preserving these guarantees and in providing the revenue system that have made them effective.

The control of our school system must be retained in our school districts and State. Not in the Federal Government.

It is also essential that our State university, the State colleges, the primary and secondary educational systems keep abreast of our State's growth and meet the new challenges that face this generation.

As a member of the State senate I was chairman of the subcommittee which drafted, and I subsequently handled on the floor,

the first unemployment insurance legislation enacted in this State. We have over \$900 million of reserves in this trust account.

I have supported, in the State legislature and in the United States Senate, social-security legislation for old-age assistance, vocational rehabilitation, aid to the blind, and child-care assistance.

During my service in Sacramento, I supported legislation which assured every worker the right to join a union of his choice. This legislation made illegal the so-called yellow-dog contract which had prevented a worker from having that free choice.

As a State assemblyman, I cosponsored the antilynching legislation now on the statute books of this State.

As Republican leader of the United States Senate, I moved to bring before the Senate and to pass legislation assuring every American that he would not be denied his constitutional right to vote.

In the State legislature, as a private citizen and for more than 12 years as a United States Senator I have actively worked for the development and protection of our resources, river and harbor development, flood-control, reclamation, and irrigation projects throughout California.

As a member of the Senate Appropriations Committee I have cooperated with my Senate colleagues and House Members, without regard to partisanship, to help advance sound and constructive public-works projects.

As a Member of the Senate I took an active part in the fight to restore to this and other coastal States the tidelands which had been taken from us under the New Deal doctrine of Federal inherent powers overriding the right of the States.

At the time my opponent announced his candidacy for Governor of California he held a press conference in Los Angeles on October 30, and at that conference was quoted as saying that Senator KNOWLAND was a person with whom "I disagree 100 percent."

I thought then, as I do now, that this was a pretty broad, if not a sweeping, generality to which the attorney general is at times addicted.

The responsibilities of the Governor as chief executive authority of this State are large.

There are 8 constitutional offices, 24 departments, 128 boards and commissions, and 46 independent agencies.

Under existing law State narcotic enforcement comes under the attorney general. The head office of that agency is close to the San Francisco office of the attorney general. Obviously it has not received the supervision or executive direction its importance warranted.

However, there are a number of fundamental issues where we are in sharp disagreement.

Let's review the scorecard to date.

I believe a State constitutional amendment is necessary in order to assure the success of our statewide water project. My opponent does not.

I support the position that the Federal Government should respect the water laws of California.

If elected Governor I will do everything in my power to have the department of water resources and the water rights board sustain the State's position as upheld by the recent decision of the Supreme Court of California in the Ivanhoe and related cases.

I would hope that the new attorney general will, likewise, support the historic California position protecting the rights of this State.

My opponent, the present attorney general of California, has himself abandoned, and sought to get the irrigation districts to abandon, this position.

I support the partnership proposal for the Trinity project so that the water users may be benefited, the cost to the taxpayers reduced, and private industry encouraged to invest in California's future. My opponent favors the all-Federal power project.

He would move toward more Federal Government in the power business. I favor the encouragement of private enterprise rather than doctrinaire policy of Federal ownership of electric power.

I do not want to see the Federal Government monopolize the electric power industry.

I do not want to see the great Central Valley of California become another TVA.

I have supported in the past and I will in the future those sound reclamation and flood-control projects which are important for the protection of life and property and the development of our resources, the improvement of our farms, and the encouragement of our industry.

In areas of the country, including our own State, I believe the determination of whether or not a community engages in the business of public power should be up to the people of the locality and determined by their votes based on the full facts as developed in public debate.

This question of local public power by local determination is a different proposition than Federal power spreading like the tentacles of an octopus without any vote on the issue by the people of the areas concerned.

At a regional meeting in Oakland of the California Democratic council (the State-wide convention of which endorsed my opponent) the meeting went on record in favor of transferring welfare administration out of the hands of the 58 counties of California into State administration.

This as you will recall was in conformity with the so-called McLean-Williams pension plan which proved to be so costly to California until repealed by the people of this State.

At that time I declared myself in opposition to this transfer of administration from the county governments to the State government and propounded the question as to where my opponent stood on this important issue.

He indicated then that the time was not ripe to make his views known on this important subject.

Again I call on him to state his position on this important question prior to and not after the primary election on June 3.

The labor organizations associated with my opponent in this campaign have advanced an initiative proposal that would cut the sales tax, which is the mainstay of the support of our schools and general government in California, by some \$200 million.

It would also reduce income taxes in the lower brackets and attempt to offset the losses by greatly increasing taxes in the upper brackets.

The end result will be a substantial loss of revenue to the State government.

I believe this proposal will be detrimental to California and will tend to discourage potential investors to come and reside in our State. Both in its immediate effect and in its future potential it will be highly harmful to the economy of California.

We need to encourage potential investors with new capital to come to California and to invest in the creation of new industry and the expansion of existing facilities in order to create more jobs for our growing population.

Taxes out of line with those in other States could cause investors and industry to locate elsewhere.

I stated my opposition to this initiative proposal on February 6. I am pleased to note that finally on Monday of this week, a month and a half later, my opponent has joined me

in opposition to this proposal. He at least no longer disagrees with me 100 percent.

California, as a leading agricultural State, has a vital interest in whether we go down the road to a completely regimented agriculture where the Government at Washington is to determine what the farmer will grow, how many acres he will plant, the price of his product and if, indeed, he shall be a free man in making the determination of the use of his land or will we preserve freedom for the farmer from growing controls by the Federal Government.

We need to constantly expand our markets, domestic and foreign, for our agricultural products.

As Governor I shall continue the work I have carried on as United States Senator to advance the interests of this important part of our State's economy.

As for me, I favor more freedom for the farmer to make his own determinations and less regimentation by the Federal Government in Washington.

Toward this end I have opposed the rigid high-support levels and have favored flexible supports.

Unlike the carping critics who can find no good in the Secretary of Agriculture, I have a high regard for the ability and integrity of Secretary Ezra Benson.

I believe in voluntary unionism and my opponent supports compulsory unionism.

I support the initiative that would give the 6 million people of California an opportunity to vote on the issue of voluntary versus compulsory unionism.

My opponent and his allies, the labor bosses, have done and are doing everything possible to keep it off the ballot and out of the people's hands.

Why do they fear to let the people of California pass judgment on this issue?

The bill of rights for labor I have introduced in the Senate has received an enthusiastic reception from almost every quarter with the notable exceptions of:

1. A group of union bosses, who naturally enough do not want to see their secure positions of power disturbed and who have vast sums of union funds available to be placed behind their selected candidates; and

2. Certain political figures who are in a political alliance with these bosses.

The worker's bill of rights provides the following:

1. Election of union officials at least every 4 years by secret ballot with a guarantee that the ballots cast are the ballots counted.

2. Recall proceedings through which union members can replace union officials who misuse their positions of trust and responsibility.

3. Procedures for approval by majority of union members on question of calling, continuing or waiving their right to strike.

4. Registration and public disclosure requirements of union members' welfare funds whether administered by unions or management.

5. Safeguards for members against unauthorized use of union initiation fees, dues or assessments.

6. Protection for members against arbitrary or coercive actions by union officials.

7. Restrictions upon the appointments of trustees or supervisors whereby national and international unions gain and hold control over local unions for long periods of time, abrogating their democratic rights and taking control of their treasuries.

8. Penalties for cases involving collusion between management and union officials against the interests of union members.

In my judgment, these provisions will safeguard basic human rights of union members and give them a representative voice in the management of their unions to whose support they contribute, year in and year out, a part of their wages.

The American way of life has its foundation fixed on maintaining the God-given dignity of man and the noble aspiration of free men in a free society.

In order to assure the success of our purpose, we must always insist that with power must go responsibility.

I believe in the right of every American worker to join a union. This right to join a labor organization is now and will continue to be protected by law. So this is not the issue.

I believe in the right of the majority in a plant, department or bargaining unit to bargain collectively for the employees within that bargaining unit. This right is now and will continue to be protected by law. So this is not the issue.

The issue then arises on whether a worker, against the dictates of his conscience, shall be compelled to join a union in order to hold a job and earn a livelihood for himself and family. Whether a student seeking to help pay for a college education shall be compelled to pay a fee for a union work permit to secure a summer job. This then is the issue.

The late Samuel Gompers, the founder and the father of the American Federation of Labor, pleaded the cause of voluntarism in unions. He also wrote in his autobiography printed in 1925, page 132 (this quote has been curiously omitted from the newly revised and edited edition of 1957):

"I held and I hold that if a union expels a member and he is deprived of a livelihood, in theory or in fact, insofar as he and his dependents upon him are concerned, it is capital punishment."

Honestly administered unions responsible to their members, whose first goal and purpose is to protect and advance the cause of the workingman at the bargaining table, will be infinitely stronger and more effective than any boss controlled compulsory union in existence.

Just as monopolistic power in government cannot be countenanced by a free people, so it is true that monopolistic industrial or labor union power cannot be allowed unchecked control over a vital segment of our national life. Neither industrial nor labor organizations should be above the law or be given powers which no non-governmental agency should have.

No group in industry or in labor should have the power to strangle the economic life of 170 million Americans. This is too much power for responsible leaders in industry or labor to want and far too much power for irresponsible ones to be allowed to have.

The challenge of our generation is to demonstrate that free men can meet and solve the domestic and foreign crises without the surrender of our constitutional Government or our free-enterprise system.

In meeting these problems we must show the same courage and common sense as the men who gave us our Republic and have helped to maintain it.

As Republicans, Democrats, or independents we can all join in subscribing to the oath of Thomas Jefferson when he said:

"I have sworn upon the altar of God eternal hostility to every form of tyranny over the mind of man."

## Solid Majority Is in Favor of Federal Aid for School Construction

### EXTENSION OF REMARKS

OF

**HON. FRANK THOMPSON, JR.**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

MR. THOMPSON of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a letter to the President; a report on a recent New Jersey poll showing a solid majority in favor of Federal aid for school construction; a New York Times report showing the support of organized labor for a school construction program; a fine article by George W. Oakes, in the Washington (D. C.) Star showing that hopes for a school construction bill have increased recently.

Mr. Speaker, I must report to this House, somewhat sadly, that there has been no reply by the President to the letter signed by 13 Members of this body. There can be no doubt but that the letter was received at the White House since it was hand delivered by a trusted courier to Homer H. Gruenthaler, assistant to the Deputy Assistant to the President, on March 12, 1958.

### TEXT OF LETTER TO THE PRESIDENT

MARCH 12, 1958.

The PRESIDENT,

*The White House,*

*Washington, D. C.*

DEAR MR. PRESIDENT: As each day passes, signs accumulate that the present recession will, before it runs its course, be the most serious business depression our country has experienced in many years. In recent days many of our colleagues in the House and Senate have been urging accelerated action on public-works programs now before Congress.

We are writing today to express our view that this is a propitious time to revive the school-construction legislation which was defeated by a margin of only five votes in the House last July. As you stated in your special message to the Congress last year the most critical problem in the field of education is the classroom shortage in many communities across the country. We need not remind you that this shortage still persists, or that American education has been faced with sobering new challenges in the year that has intervened.

We have noted that your public-works proposal for bolstering our sagging economy centers on post-office construction and improvement but makes no mention of the much greater necessity for school construction. Which is more important, Mr. President, adequate classrooms or chrome-trimmed letter chutes?

As members of the House Education and Labor Committee who have always supported school-construction legislation, we urge you at this time to send a new school construction message to the Congress and throw the full weight of your Office behind it. If our economy needs to be stimulated by new Federal programs, surely united action to build schools for our children is the most worth while of all the programs now under consideration.

We wish to make one further point. Although in the past there have been many differences of opinion in our committee over

the details of school construction legislation, we are prepared now to put aside personal predilections and to support legislation embodying all of the major principles which you recommended to the Congress last year. We pledge you our support in this enterprise. Prompt action on our part, and yours, might well mean that construction of new schools will be under way by mid-summer.

Very truly yours,

JOHN H. DENT, Member of Congress, 21st District, Pennsylvania; EDITH GREEN, Member of Congress, 3d District, Oregon; ELMER J. HOLLAND, Member of Congress, 30th District, Pennsylvania; GEORGE McGOVERN, Member of Congress, 1st District, South Dakota; LEE METCALF, Member of Congress, 1st District, Montana; CARL D. PERKINS, Member of Congress, 7th District, Kentucky; ADAM C. POWELL, Jr., Member of Congress, 16th District, New York; JAMES ROOSEVELT, Member of Congress, 26th District, California; LUDWIG TELLER, Member of Congress, 20th District, New York; FRANK THOMPSON, Jr., Member of Congress, 4th District, New Jersey; STEWART L. UDALL, Member of Congress, 2d District, Arizona; ROY W. WIER, Member of Congress, 3d District, Minnesota; HERBERT ZELENKO, Member of Congress, 21st District, New York.

[From the Trenton Evening Times of March 20, 1953]

#### THE NEW JERSEY POLL—SOLID MAJORITY IS IN FAVOR OF FEDERAL AID FOR SCHOOLS

(By Kenneth Fink, director, Princeton Research Service)

At the present time, President Eisenhower and his advisers are considering asking Congress to help the various States with their school-building programs in an effort to increase employment and improve economic conditions.

Should Congress see fit to appropriate money to help the States with their school-building programs, such action would meet with the approval of a solid majority of New Jersey citizens, judging from the results of a survey completed in the State within the past 10 days.

Survey findings show that more than 3 out of every 5 New Jersey adult citizens think Congress should provide money for this purpose. At the same time, more than 1 out of every 3 of all those interviewed think school aid for buildings should be left up to the various States.

In other words, those who think Congress should help the States with their school building programs outnumber by a 7-to-4 margin those who would prefer leaving the matter to the individual States.

New Jersey poll staff reporters put the following question to New Jersey citizens in all walks of life and in all parts of the States: "This year's Congress is considering giving money to the various States to help them with their school-building programs, such as the building of elementary schools, high schools, and college buildings. Do you think Congress should provide money for this purpose, or should school aid for buildings be left up to each State?"

The results:

	Percent
Yes; Congress should help	64
Should be left up to States	35
No opinion	1

Highlight of today's survey findings is that at least 58 in every 100 in each population group examined think that Congress should provide money to the various States to help

them with their school programs, and that in no population group examined do more than 41 in each 100 think the matter should be left to the individual States.

An interesting finding to emerge from today's survey is that somewhat more manual than white-collar workers favor such aid from Congress.

The vote by occupational groups:

	(In percent)	
	White collar	Manual
Congress should help	58	70
Be left to the States	41	29
No opinion	1	1

Chief reason why people think Congress should help the States with their school-building programs are that it would relieve the burden on the individual property owner and that it would help improve employment conditions.

Opponents of Congressional help cite principally that they are opposed in principle to Federal aid to education because it might bring Federal interference with the State's education program and that they would prefer that each State solve its own problems.

[From the New York Times of March 11, 1958]

#### LABOR URGES UNITED STATES TO BUILD SCHOOLS—SPOKESMAN CALLS FOR ACTION TO PROVIDE CLASSROOMS AND AID THE JOBLESS

WASHINGTON, March 10.—Organized labor's legislative spokesman told Congress today that the time had come for the Government to start building schools as an urgent program that would also lessen unemployment.

Andrew Biemiller, speaking for the American Federation of Labor and Congress of Industrial Organizations, appeared before the Senate Labor and Public Welfare Committee.

He said that those in the trade-union movement are appalled by the failure of President Eisenhower to even mention the classroom shortage in his plans for meeting the recession.

However, he praised a group of eight Republican Senators who included school construction yesterday in a broad plan for meeting unemployment. The joint statement of the Senators included this sentence: "It would be shocking for Congress to fail to act promptly in favor of a school-construction program."

#### OTHER LABOR PROPOSALS

Mr. Biemiller listed increasing of teacher salaries as the next most urgent field for Federal school action. He put Federal scholarships as third in importance. He declared that they should be awarded without a needs test and should cover the humanities equally with science.

The committee headed by Senator LISTER HILL, Democrat, of Alabama, is nearing the close of hearings on science-aid bills stressing scholarships.

[From the Washington (D. C.) Sunday Star of March 23, 1958]

#### RECESSION RAISES SCHOOL BILL HOPES

(By George W. Oakes)

School construction as an antirecession measure is getting bipartisan attention in Congress. Despite the integration issue, education policymakers in both Senate and House believe that the rising demand for useful public works has reached such proportions that school construction legislation could be adopted by both Houses if the administration would lend its support.

There are a number of bills for school construction already before Congress and more are in the works. For example, Representative PETER FRELINGHUYSEN, a New Jersey Republican and on the House Education Committee as an administration supporter, has introduced a bill that would make \$1.8 billion of Federal funds available to the States on a 50-50 matching basis over a 3-year period. To speed construction his plan would waive certain requirements on the States contained in last year's unsuccessful administration bill.

Early this month 13 Democratic members of the House Education Committee, including Representative ADAM CLAYTON POWELL, whose antidiscrimination amendment was a stumbling block for school construction legislation in previous years, urged President Eisenhower to recommend again the major principles of the administration's 1957 school building program.

Also, Senator KENNEDY, of Massachusetts, a leading Democratic presidential contender, has introduced a school construction bill during the current session. Senator KENNEDY sees school construction as one of the most effective ways Federal public works could be used to strengthen the economy. In his view, school building is especially suitable for that purpose because it would take place largely in populated areas where plans are likely to be ready and where the money expended would have a high velocity of circulation.

#### WHERE SHOULD AID GO?

One of the basic questions that the administration and Congress must resolve in any school construction program conceived as an antirecession measure is whether Federal funds will be provided to school districts that need new buildings the most or to areas where construction plans are ready. If schools are built on a where-required-most basis, then the impact on the economy will probably be delayed. On the other hand, if the guiding principle is to get construction under way as fast as possible, then priority will naturally be given to those school districts that have already drawn up their plans.

There are no reliable official figures available as to how many and which of the approximately 54,000 school districts throughout the country actually have building plans prepared or under way. Such data is usually prepared by the State education departments, but in some States school districts are independent of State control and therefore the necessary information cannot easily be compiled.

Federal education officials, in discussing proposals for school building, favor allocation of funds on the basis of need even if such a policy would delay construction because they consider that educational requirements are paramount. They also say that Federal funds should not be provided for States and local communities that can finance new schools on their own.

For example, Baltimore County has a 6-year \$50 million program under way. If Federal funds should supplement the \$24 million of local and State money to be spent in 1959-60 probably twice as many schools could be built during this period. But officials believe it would be better to spend the same amount of Federal money in States which cannot afford to finance a program of their own.

#### SEE WIDESPREAD EFFECTS

Proponents of school construction as a business stimulant argue that the funds expended would have benefits far beyond the areas in which the schools are built. They declare the projects would have national impact, since they would stimulate the entire building materials business, and, of course, the additional money flowing into the se-

lected areas would create markets for consumer products made in all parts of the country.

How long would it take to build the average high school for 1,000 children? Officials estimate that on the average 3 months should be devoted to educational planning, 6 months for the architectural plan and another year to construct and complete the building—1 year and 9 months in all. In some areas, of course, the first two steps have been taken.

The last federally financed school construction programs were the PWA and WPA operations nearly 25 years ago. Then about \$1.5 billion at today's prices was invested in building public schools. The cost of labor and materials is three times what it was then, but because of more efficient design and construction methods, the classroom cost is up only 2½ times.

What are the political prospects of a school construction bill? The Democratic leadership in the Senate would probably back it as part of an overall public works program. In the House—where the fight will be tougher and where school construction legislation has been repeatedly defeated—present prospects are that school construction legislation would face less hurdles than in the past few years for economic and other reasons. However, its strongest supporters point out that only administration backing will make it possible to muster the necessary votes, so these advocates—both Republican and Democratic—are looking to the White House for encouragement.

comes of more than \$7,500 increased from 9 percent to 17 percent. Families under \$3,000 decreased from 41 percent to 34 percent.

How about employment and unemployment? Of a total work force of 67 million, 5 million now are out of work, 7.5 percent of the total. Now, let's compare: In 1938, after 6 years of the New Deal, 10,400,000, or 20 percent, of the 54 million work force were unemployed. In 1950, 4,800,000, or 7.6 percent, of 63 million were unemployed. Also, in 1950, President Truman said that jobseeking was healthy and that three to five million unemployed was normal. Two wars solved the unemployment of these two former periods. The 1954-55 recession was solved peacefully by our refusal to get ruffled, and the national gross soared upward. We do know there were even 2½ million unemployed at peak prosperity.

Are we then in a recession? Well, we have receded from the last high peak of prosperity. Compared to any other period, our economic outlook is good. The real danger, as I see it, stems from politicians wanting to capitalize on the recession scare technique. For example, Senator LYNDON JOHNSON and Representative WRIGHT PATMAN are sponsoring a new capital bank system. Another Senator suggests another world bank. Scores of others, well-intentioned or not, are pushing pet programs. New Dealers are saying this is the "now-or-never period to get liberal programs under way."

All these Government aids cost the taxpayers either in more dollars in taxes or by watering the dollars through deficit financing and inflation. The big spenders are also the tax-cut proponents. We all want tax cuts. Responsibly, how can we cut taxes while increasing spending? It is gratifying to see the widespread recognition of the beneficial effect of a tax cut. Yet, taxes pay the cost of Government programs. Now we're expanding the costly Government programs. Who is kidding whom? There is only one way safely to reduce taxes—and that is to reduce Government spending, not increase it.

The housing bill, to pump \$1.85 billion more into housing subsidies, provides for lower downpayments, increased mortgage purchases by Government, and one-half of 1 percent increase of interest rates. The bill was railroaded through under suspension of the rules, without debate, and without Members even having a copy of the bill, a flagrant disregard for customary procedure.

The farm bill, to freeze farm supports at the 1957 level, brought on a bitter partisan fight. Generally, Democrats were for fixed supports; Republicans for flexible supports seeking a gradual return to the free market place. The bill passed, 210 to 172, indicating that should the President veto it, the House will not override the veto. Two resolutions expressing the sense of Congress called for accelerating military construction and civil construction, respectively, as an economic stimulus.

The tragedy of our governmental effort is, while saying we do not want to alarm the public, we do just that. We try to kill the patient with kindness. Priming a pump that is smoothly producing is not help but hindrance. Government should build confidence and public morale, not destroy it for political advantage. Broad, sweeping national legislation to cure local or spotty recession is not the cure. But when people appeal, politicians are eager to please, so a law is passed to give money to the people from whom it has been taken. Accelerating this activity is the Congress' current endeavor. It is accelerating (not creeping) socialism. This is not free enterprise.

#### IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. ALGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my newsletter of March 22, 1958:

The story of free enterprise is out of style, forgotten or replaced by accelerating (not creeping) socialism. Free enterprise underlies the greatness of the United States. For example, one of the many stories:

"A poor, uneducated, but enterprising man built a prosperous business by selling a good hamburger at a fair price. Prospering, he sent his son to college to learn economics. The son, returning full of book learning, warned his father of a recession. Following his son's advice, he cut the size of the hamburger, reduced personnel and advertising to lessen the impending losses of a recession. Sure enough, his business fell off 50 percent, and the father proudly told others of his good fortune in having an educated son who had warned him of a recession and just in the nick of time."

Now what is all this talk about recession, downturn, slump, hard times? Well, here are some facts. Personal income in February 1958, was the highest February in history (at an annual rate of \$341.8 billion, 1957, \$338.5 billion; 1956, \$317 billion). Savings now are at an all-time high. Further, now 54 percent of American families have incomes of more than \$4,000 a year, compared to only 41 percent in early 1953 (Federal Reserve figures). Families with in-

#### Sixth Anniversary of the United States Escapee Program

##### EXTENSION OF REMARKS

OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. WALTER. Mr. Speaker, I would like to call the attention of my colleagues to the fact that March 21 marked the sixth anniversary of the United States escapee program.

This program was first announced by President Truman in March 1952. "These men and women," he said, "friends of freedom, ask only for an opportunity to play a useful role in the fight for freedom. It is the responsibility of the Free World to provide this opportunity."

President Eisenhower, in speaking of the escapee program, said:

I believe that the task of caring for the escapees should have the highest emphasis in the minds of all the Free World, and I am happy that the United States has already done so much of this work. I know that the American people consider their participation in this humanitarian effort is not just a material effort, but also a matter of the heart.

The continuation of the escapee program will probably be necessary as long as the international Communist conspiracy, entrenched in the Soviet Union and in that country's colonial dependencies, continues its rule of persecution.

To date, 317,000 escapees have received help in some form in rehabilitating their lives in free areas. Of this number 170,000 have come from Europe and 147,000 from the Far East.

Many of the escapees have been brought to this country. This Congress has passed Public Law 85-316 which further extends our humanitarian efforts to admit genuine refugees and escapees, especially to unite families which have been separated.

This program, Mr. Speaker, also gives the lie to the Communist claim that only through dialectic materialism can happiness be achieved. It refutes for the world to see the Soviet propaganda that the free nations are heartless and activated only by materialism.

I should not like this occasion to pass, Mr. Speaker, without saying a word in praise of the efforts of the Intergovernmental Committee for European Migration—ICEM, as it is commonly known. This organization, which is composed only of countries of the Free World, and in which membership of Communist dominated countries is prohibited, has since its founding in 1951 been responsible for the transportation to countries of resettlement of more than 800,000 refugees, escapees, and other migrants.

I should like to think, Mr. Speaker, that the end of this problem is in sight. However, I believe that we must realize that

#### Washington Report

##### EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. ALGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my newsletter of March 22, 1958:

The story of free enterprise is out of style, forgotten or replaced by accelerating (not creeping) socialism. Free enterprise underlies the greatness of the United States. For example, one of the many stories:

"A poor, uneducated, but enterprising man built a prosperous business by selling a good hamburger at a fair price. Prospering, he sent his son to college to learn economics. The son, returning full of book learning, warned his father of a recession. Following his son's advice, he cut the size of the hamburger, reduced personnel and advertising to lessen the impending losses of a recession. Sure enough, his business fell off 50 percent, and the father proudly told others of his good fortune in having an educated son who had warned him of a recession and just in the nick of time."

Now what is all this talk about recession, downturn, slump, hard times? Well, here are some facts. Personal income in February 1958, was the highest February in history (at an annual rate of \$341.8 billion, 1957, \$338.5 billion; 1956, \$317 billion). Savings now are at an all-time high. Further, now 54 percent of American families have incomes of more than \$4,000 a year, compared to only 41 percent in early 1953 (Federal Reserve figures). Families with in-

as long as there are Communist persecutions there will be those who will have the courage to escape from it.

### The American Legion

#### EXTENSION OF REMARKS

OF

**HON. MELVIN PRICE**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

**Mr. PRICE.** Mr. Speaker, the recent action of the Congress in passing a bill to broaden and improve the housing program contained provisions of special interest to veterans. It offered a good chance for revival of one of our most important housing aids—the Veterans' Administration loan guarantees that have made it possible for former servicemen to purchase and pay for their own homes. The extension of this part of the program did not come about by accident. It resulted because such veterans' organizations as the American Legion, the Veterans of Foreign Wars, and AMVETS have shown vigor and devotion in furnishing the necessary information on which the Congress could act.

The American Legion also has protected the interests of servicemen in many other fields. It took the lead, for example, in testifying in favor of the bill sponsored by the gentleman from Texas [Mr. TEAGUE] to codify and unite in one law all existing veteran benefit acts now administered by the Veterans' Administration.

This measure was preceded by an act passed last year to consolidate the compensation and pension laws affecting veterans. The new program favored by the American Legion would wrap into this structure all other benefits under the Veterans' Administration. It would be of great assistance to the former servicemen and I hope that we shall be able to complete action in this session of the Congress.

During this month, Mr. Speaker, the American Legion has celebrated the 39th anniversary of its founding in Paris in March 1919. As it approaches its 40th birthday, the Legion's program shows that it maintains a vigor and vitality that not all human organizations can match. Its record even in the years since World War II is a proud one; it led the way in developing the GI bill and the Korean GI bill, and it has never wavered in its fight for those who have borne the burden of battle and their widows and orphans. Its influence has been expanded into many fields of citizenship—the continuing resistance to communism, its youth program of training leadership, its child welfare interests, its service to youth through its junior baseball leagues, its boys-state and boys-nation programs and its oratorical contests on the sacred docu-

ments of our Nation, the Constitution and its Bill of Rights. It has been a tower of strength in urging a powerful national defense.

We in the Congress know the value of the American Legion as spokesman for the millions of servicemen who need an avenue of communication with their Government. I am proud that I have been able to support, across the years, the legislative programs of the Legion, including its program this year.

#### DAR Award of Merit to Hon. Edward Martin, of Pennsylvania

#### EXTENSION OF REMARKS

OF

**HON. EDWARD MARTIN**

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, March 24, 1958

**Mr. MARTIN** of Pennsylvania. Mr. President, on February 5, 1958, I had the privilege of accepting the DAR Award of Merit, at the annual luncheon of the Philadelphia chapter, Daughters of the American Revolution, in Philadelphia, Pa. I ask unanimous consent to have printed in the CONGRESSIONAL RECORD excerpts from the remarks which I made at that time.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM REMARKS OF UNITED STATES SENATOR EDWARD MARTIN OF PENNSYLVANIA, ACCEPTING THE DAR AWARD OF MERIT AT THE ANNUAL LUNCHEON OF THE PHILADELPHIA CHAPTER, DAUGHTERS OF THE AMERICAN REVOLUTION

I shall treasure this award as long as I live because it is symbolic of the outstanding patriotism of the Daughters of the American Revolution. With deep humility and profound gratitude I ask you to accept my sincere thanks.

In this time of desperate challenge our paramount concern must be the preservation of our freedom, our form of government, and our way of life.

The Daughters of the American Revolution and every other association of patriotic Americans must organize our frontline of defense against the dangers confronting the United States.

I believe it is a service to our country to bring the dangers we face out into the open for free and frank discussion in meetings such as these.

What are our real dangers?

First, too little interest in government.

There are so few of us here in the United States who really understand the nature of our Government and how the American system of individual freedom sustains our way of life.

Government has grown too costly and too cumbersome. Through the years it has become swollen with overlapping and duplication of functions and services.

We need better and more efficient organization of government, and this can be achieved only by more widespread participation in governmental affairs.

For many years I have advocated a definite assignment of duties and responsibilities to

each level of government—Federal, State, and local. At the same time each division of government should be allocated exclusive areas of taxation adequate to produce revenues to perform its proper function.

As far as possible all government should be placed on a pay-as-you-go basis.

If we could accomplish these things the cost of government would be reduced and there would be no need for grants from the higher levels to the lower echelons of government.

Second, we are placed in danger by the tendency to make decisions without adequate information. Many times we rush into decisions under the stress of emotionalism without thinking the subject through.

Let us not be stampeded into quick action which may prove unwise. Let us not forget that any one stirring up popular emotionalism is the most dangerous demagogue in our form of government.

We are now seriously disturbed over the military phase of our national defense.

Recent developments in scientific achievement by the Soviet Union have started a tidal wave of discussions. Some have come quickly to the conclusion that the wars of the future will be fought either in the air or under the water.

If I may be pardoned a personal opinion, let me say that I believe this is far from the real situation. I refuse to believe that Russia is superior in everything. This is no time for hysteria. We seem to forget that we will have more brush wars and guerrilla warfare than we will have war in the air and under the water.

The basic objectives of war have not changed. The individual soldier still holds the key to victory. I am still old-fashioned enough to feel that universal military training would have great value in building the strength of our national defense.

Third, we are in danger if we overlook the vital importance of a strong, stabilized, and expanding economy as part of our national defense.

One of the most difficult functions of a free government is to maintain a stable currency. At the same time it is one of the most important objectives of government.

A sound dollar means so much to the ordinary citizen. No family in America can escape the hardships that result from the depreciation of our currency through inflation.

Its effects are most severe on those who live on fixed incomes, annuities, or pensions. It inflicts serious damage upon the owners of life-insurance policies, savings accounts, and other forms of savings. It deprives those who receive social-security payments of a portion of the benefits.

Excessive public and private debt is one of the greatest causes of inflation. Our most effective weapon from a governmental standpoint is economy. We must always remember that regardless of our strength, it is impossible for Government to give each of us everything we desire.

Control of inflation is a job for all of us because in the United States the people are the Government.

The fourth danger to which I wish to direct your attention has to do with the training of our young people for the responsibilities of citizenship.

In recent months there has been a great deal of discussion about our educational system. Many have expressed the belief that we are failing to provide adequate opportunities for scientific study in our schools and colleges.

We have been told that the Soviet Union is far in advance of our system in the training

of qualified young people for careers in science. President Eisenhower has proposed the appropriation of a \$1 billion scholarship fund to remedy our deficiencies in scientific education.

There is no doubt that we need more scientists but equally important, in my opinion, is the need to teach self-reliance.

One of the great needs in America today is to impress upon our boys and girls that the future of our country depends upon their character, their industry, and their patriotism.

We must teach them that each individual must stand on his own feet—as our forefathers did—confident, courageous, and self-reliant.

In the history of our Republic we find so many inspiring examples of distinguished achievement in the face of danger and hardship. The real meaning of Americanism may be found in the heroism and sacrifice of the great leaders of our historic past. The high principles by which they lived and their distinguished services in peace and war should be studied, appreciated, and honored. We can all contribute to the strength of America if we are guided by their example.

In America we have equal opportunities. We may attain leadership through self-reliance and pride in accomplishment.

### Minshall Opinion Poll

#### EXTENSION OF REMARKS

#### OF

#### HON. WILLIAM E. MINSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. MINSHALL. Mr. Speaker, on 3 previous occasions, I have sent out questionnaires seeking expressions of my constituents on pending issues before the Congress. The response to these opinion polls has been excellent. Again this year, I am requesting the views of the people of Ohio's 23d District on some of these vital issues. The questionnaire follows:

	Yes	No	No opinion
1. Do you approve of the proposal to put pay TV on a trial basis?			
2. Do you favor a protective tariff or quota on imports of foreign goods which compete with our own businesses?			
3. Do you believe we should continue our foreign aid program which calls for the expenditure of \$3,900,000,000 in military and economic aid to our allies in free countries during the next fiscal year?			
4. Are you in favor of removing the Federal Government's present regulatory control over prices which producers can charge for natural gas?			
5. Do you feel a need exists for some form of Federal assistance to encourage scientific education?			
6. Would you favor a \$20,000,000,000 national air raid shelter construction program?			
7. Do you favor increasing social security benefits with corresponding increases in individual and employer contributions?			
8. Would you favor furnishing nuclear weapons to our NATO allies in Western Europe?			
9. In an effort to meet the national economic situation, please indicate which of the following Federal actions you think should receive prior attention:			
(a) Accelerate our present public-works program (highways, public buildings, etc.)			
(b) Initiate a massive public-works program			
(c) Increase our housing program			
(d) Income tax reductions			
(e) Reduce credit restrictions			
(f) No Federal Government action required			
10. Do you favor Federal aid for local school construction?			

NOTE.—If you wish, the space below may be used for additional comments. It is not necessary to give your name.

### The Story of Free Enterprise

#### EXTENSION OF REMARKS OF

#### HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. ALGER. Mr. Speaker, are we underestimating free enterprise? Are we selling ourselves short? This talk about recession and unemployment, let us look at the facts. For example, on employment and unemployment: In 1938, 10,400,000, or 20 percent of the total work force, were unemployed and this was after 6 years of New Deal programs.

Yet the economic and political palliatives suggested on every side today have a strangely familiar ring. Did not we try to spend our way to prosperity through the thirties? Did not we embark on vast public-works programs naively confident that we could thereby

create jobs? And did it work? Are we to try these remedies again?

In February 1950, 4,800,000, or 7.6 percent, of the total work force were out of work. Mr. Truman at that time said 3 to 5 million unemployed is normal and job seeking is healthy. Further, it is a fact that even at peak prosperity over 2½ million were unemployed.

So it is a demonstrated fact that today's 5,100,000 unemployed, or 7.5 percent of the total, is not alarming in itself. Further, income and savings are at a record high.

Must we now, forgetful of our experience, try all of the unsuccessful New Deal cures of the 1930's, the Federal handouts and the make-work programs? Will this help, hinder, or kill free enterprise? Let me tell a story:

Two Maine farmers met on the road and pulled up their teams.

"Hey, Sy," said Josh. "I've got a mule with distemper. What did you give yours that time he had it?"

"Turpentine. Giddap."

A week later they met again:

"Say, Sy," said Josh. "I gave my mule turpentine, and it killed him."

"Killed mine, too. Giddap."

### The Status of the Nene Goose in Hawaii

#### EXTENSION OF REMARKS

OF

#### HON. JOHN A. BURNS

DELEGATE FROM HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. BURNS of Hawaii. Mr. Speaker, I have today introduced H. R. 11584, a bill seeking the restoration of the Nene goose of Hawaii. I submit the following information on this goose:

The history of vanishing species of wildlife in the United States is one of too little, too late. Such was the case in regard to the passenger pigeon, the heath hen, and possibly the whooping crane. Another vanishing species in the United States that now is facing extinction is the Nene or Hawaiian goose. This species probably is the rarest waterfowl in the world today, and possibly the second rarest bird in existence.

The Nene was abundant at one time in the Hawaiian Islands on the slopes of Mauna Loa and Hualalai in Hawaii and on Haleakala in Maui. However, over the past several decades this magnificent native waterfowl has declined seriously in numbers due to a group of factors. These include indiscriminate hunting in past years, changes in land use, and the increase of predators such as wild pigs and dogs.

In 1949, when less than 30 Nene were known to exist in the world, the Territorial Board of Agriculture and Forestry's Fish and Game Division initiated a Nene restoration program at Pohakuloa, Hawaii, to propagate Nene under wire to prevent the imminent extinction of this species. Through the cooperation and generosity of Mr. Herbert C. Shipman, who had the only captive flock of Nene in existence, two pairs were loaned to the board of agriculture and forestry and the project was begun.

At the same time, plans were made for a comprehensive ecological survey of the wild birds to determine what factors actually contributed to the great reduction of the Nene, and how to correct these detrimental factors and increase and perpetuate these birds in their native habitat.

In 1955, with the help of interested conservationists in Hawaii and on the mainland, grants to finance this ecological survey were secured through the Yale-Bishop Museum Fellowship, Pan American Section of the International Committee for Bird Preservation, the Guggenheim Foundation, and the McInerny Foundation. The grants were awarded to Dr. William H. Elder, professor of zoology at the University of

Missouri, who is one of the foremost waterfowl specialists in the country today. He arrived in Hawaii in September 1956 for his year's study.

Doctor Elder conducted his study and presented a scientific paper on the subject at the 23d North American Wildlife Conference in St. Louis, Mo., on March 2, 1958. Dr. Elder recommended that four steps were necessary to save this species and restore it to its native habitat.

First. Permanent protection of the only known breeding ground of the Nene, both from human disturbance and predation by exotics introduced by man.

Second. Artificial rearing to be continued and improved until sufficient surplus stock can be released to assure the status of the species in the wild.

Third. Acquisition of a release area adjacent to the breeding ground, wherein stock to be liberated can be released when flightless within a predator-proof fence for conditioning to natural foods and flight before the normal flocking and flight season begins.

Fourth. Strengthen the public relations program leading to greater public awareness of the need for protection of the Nene, the official bird of Hawaii.

Here, in the case of the Hawaiian goose, is a situation where it is not too late to save a species from extinction. Due to the concerted efforts of a few individuals, this species is in an excellent position to be restored to its native habitat. Additional funds are needed, however. The Territory of Hawaii and private organizations have been able to start this restoration program, but Federal assistance is needed so that competent personnel can be assigned to this task and see it through.

#### Stop the Impoverishment of Our Farmers; Turn Back the General Business Recession

##### EXTENSION OF REMARKS

OF

**HON. HAROLD D. COOLEY**

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

**Mr. COOLEY.** Mr. Speaker, I should like to address myself today to the Members of the House who on last Thursday cast their votes against the resolution which would forestall, in 1958, another half-billion dollar loss in income by the already hard-pressed farmers of America.

I cannot believe that any Member of this body would intentionally impose further impoverishment upon the men and women, and the children, who till the soil and who have made us the best fed country on earth.

Therefore, I can only conclude that those Members who voted against the legislation to prevent a further cut in farm prices in 1958 were misinformed and were ill-advised by those whose leadership they have trusted and, there-

fore, they were not aware of the tragic consequences a deepening depression in agriculture will have not only upon our farm people but also upon the total economy and upon all the people of our country.

Some, no doubt, thought they were voting to "set agriculture free," whatever that means.

Others thought they were protecting the interests of the consumers of the Nation.

A few may have thought they were saving money for taxpayers.

##### FREEDOM FOR FARMERS

To those who may have been influenced by a plea to "set the farmer free," let me say first that I shall work to the limit for the real freedom of farmers and of all Americans, but I shall never brood on the farmers' loss of their freedom to go bankrupt and their freedom to become once again the paupers in this Nation's economy.

If any one of you is worried about the freedom of farmers, let me ask you two questions:

First. Is it regimentation, loss of liberty or something more evil when people in industry regulate their production to fit their markets? That is just what the farm program seeks to do for farmers. If indeed, this is something evil, then the owners and managers of our industry have embraced it since the beginning, while it only recently has "corrupted" agriculture.

Second. Is it regimentation, loss of liberty or something more evil when people in industry have a voice in the price of the things they offer for sale? That is just what the farm program seeks to do for farmers. If, indeed, this is evil, then the people in industry have always been neck deep in something corrupt, and our farmers just recently have got their feet wet.

Let me point out to some of you who may have forgotten that a two-thirds vote of farmers is necessary, under the farm law, before a program adjusting the production of any crop is put in force. May I allay some fears by reminding you that our farmers are the most independent people on earth and they will never permit Government to preempt their freedoms.

Mr. Speaker, the cry "set agriculture free" is a shibboleth to wring from our farmers the advantages they have gained in a working partnership with their Government. I do not and never shall subscribe to a proposition that the farmer must take a choice of either poverty with dignity or prosperity at a price of lost freedom. There is no foe so inimical to human dignity—to freedom—as poverty. I say that the farmer, as the rest of us, should have money in his pocket as well as freedom in his heart.

##### THE FARMER AND THE CONSUMER

Let me speak now to those who may feel they must vote against the interests of the farmer to protect the interests of the consumer.

My friends from the cities may be astonished to look at the facts on that. Never in our history has the wage of working people bought more food than

during the years of the operation of the farm program.

The Department of Agriculture has prepared figures on the quantities of food the average pay for 1 hour of factory labor would buy in 1929 and in 1957.

One hour's pay would buy 6.4 one-pound loaves of bread in 1929, and 11 loaves in 1957; 1.2 pounds of steak in 1929, and 2.2 pounds in 1957; 7.8 pints of milk in 1929, and 16.6 pints in 1957; 1 pound of butter in 1929, and 2.8 pounds in 1957; 1.3 pounds of bacon in 1929, and 2.8 pounds in 1957; 1.1 dozens of eggs in 1929, and 3.7 dozens in 1957; 17.7 pounds of potatoes in 1929, and 36.3 pounds in 1957; and 1.3 dozens oranges in 1929 and 3.6 dozens in 1957.

This is the situation although in recent years consumer food prices have gone up while farm prices have gone down.

Senate Joint Resolution 162, which the House passed by a 210 to 172 vote on last Thursday, and which the Senate sent to the White House by a 48 to 32 vote on Friday, would prevent the Secretary of Agriculture from reducing price supports in 1958 below the dollar and cents support levels of 1957. By forestalling cuts already announced by the Secretary, this would save milk producers another loss of \$250 million this year and prevent another loss of more than \$200 million to wheat producers.

Now let us look specifically at the relationship of farm price to consumer price in these two commodities.

In 1952 milk prices were supported at 90 percent of parity and the average price of a quart of fresh milk in grocery stores throughout the country was 22.8 cents. In 1957 the support had been reduced to 83 percent of parity (actually 76 percent of parity as computed in 1952), and the retail price of milk had risen to 24.3 cents a quart.

Now look at wheat. Department of Agriculture figures show that in January, 1948, the farm price of wheat reached a peak of \$2.81 a bushel, and the average price of a one pound loaf of bread at that time was 13.8 cents. In 1955, the farm price of wheat had dropped to \$2.14 a bushel, and the average price of a loaf of bread had increased to 17½ cents. Thus while the price of wheat declined 24 percent, the price of bread advanced 27 percent. In 1952, wheat was supported at 90 percent of parity of \$2.20 a bushel and the average price of a loaf of bread was 16 cents. In 1957, with wheat at \$2 a bushel, the average price of a loaf of bread was 18.8 cents. For the wheat in an 18.8 cents loaf of bread, the farmer gets somewhere between 2.6 and 3.2 cents.

These figures substantiate completely that another cut in the farm prices of milk and wheat will mean simply that \$250 million will be taken away from dairymen in 1958, and more than \$200 million from wheat producers, and all these millions will be absorbed by middlemen between the farmers and the consumers. Consumers will derive no price benefit whatsoever.

##### PROGRAM PRICES AND COSTS

Now, Mr. Speaker, as I have noted, some of my colleagues may have sup-

ported lower prices for farm commodities in the expectation that costs of the farm program would be reduced and, therefore, there would be savings to taxpayers.

I earnestly request all of my colleagues to look at the figures on this. The official reports of the Department of Agriculture show that the price support program through the Commodity Credit Corporation operated for 20 years prior to 1953 at an actual profit of over \$13 million on the programs for the basic crops, and the loss on all crop operations at the end of the 20 years was only \$1,064 million, whereas losses in the last five years have amounted to over \$4 billion. It should be pointed out that with price supports at 90 percent of parity for 11 consecutive years prior to 1953 the actual farm prices were at 100 percent of parity or better, and farm program costs were negligible, whereas during the recent years of constantly falling farm prices, program costs have skyrocketed.

Some of my friends here are inclined, I have noted, to give the price support program no credit for the years preceding 1953 and want to attribute to "war and postwar demand" all the responsibility for the good prices that farmers received in those years. I ask you to take note of the fact that the demand for, and use of, the products of American farms, at home and abroad, has been greater in the last four years than in the four years of World War II, yet the farm program has been administered in such a way that farm prices have been reduced to depressing levels and program costs to the Government have mounted by leaps and bounds.

I say to you: Poor prices to farmers do not make farmers prosperous. Poor prices to farmers have not reduced food costs to consumers. Poor prices to farmers do not mean less costs to the Government and savings for taxpayers.

At this point I shall insert a table listing the major commodities produced by farmers which are affected by Senate Joint Resolution 162 and which indicated the 1958 farm value of these commodities at the lower support levels announced by the Secretary and their value at the 1957 support rates, which would be reinstated by this resolution. For the purpose of this computation it is assumed that production of the various crops in 1958 will be at the same volume as in 1957.

Crop	1958 crop values at announced reduced support rates	1958 crop values at S. J. Res. 162 minimum 1957 support rates
Wheat	\$1,686,000,000	\$1,894,000,000
Rice	187,000,000	204,000,000
Milk, cream, and butter	4,390,000,000	4,640,000,000
Barley	405,000,000	414,000,000
Rye	29,000,000	31,000,000
Sorghum	573,000,000	584,000,000
Dry beans	97,000,000	100,000,000
Cottonseed	204,000,000	208,000,000
Flax	72,000,000	75,000,000
Total	7,643,000,000	8,150,000,000

#### THE GENERAL ECONOMIC RECESSION

Mr. Speaker, the Nation now is in a general economic recession, with business declining and unemployment increasing.

Our agriculture has been in a decline for 5 years.

Comparing 1957 with 1952, total farm production was up 6 percent, farm prices down 16 percent, farm parity ratio down 18 percentage points, total farm income down 20 percent, realized net farm income at the lowest point since 1942, purchasing power of that farm income down 24 percent, lowest since 1940, and the farm population has declined from 24,283,000 in 1952 to 20,396,000 in 1957.

Farm debt in 1957 reached a record high of \$19,500,000,000.

Deterioration of the agricultural economy dries up rural purchasing power. Then businesses in towns and cities that service agriculture begin to suffer. Ultimately the impact reaches throughout the economy. This is what has happened in the past and it is happening again today.

Among the unemployed in our cities there now are many thousands of people who have been forced off the land by the depressed conditions in agriculture in recent years.

It often has been said that national depressions are farm-led and farm-fed. We know that in the past the breadlines in our cities have been longest when our farmers were receiving the lowest prices for the food they produced.

Mr. Speaker, I have read carefully the President's antirecession program, but to my dismay I have failed to find in his economic proposals one mention of or any sympathy for the depressed plight of the Nation's agriculture.

Not only does the President ignore agriculture in his antirecession program but now we read in the press that he will veto our efforts, through Senate Joint Resolution 162, to prevent farm income from dropping this year by a half billion dollars below 1957.

The legislation which is now before the President to stave off immediate economic disaster to our farmers by providing a 1-year freeze on price supports is not ill conceived or poorly thought out. The Congress is not merely buying time in the hope that something better will happen. We now have before us for study the proposals of America's farmers for improving our domestic agricultural situation. For example, both the dairy farmers and the wheat farmers have presented proposals which are designed by these groups to meet the needs of their industry. What we are asking for in suggesting to the President that he sign Senate Joint Resolution 162 is for time in which the Congress can review these proposed plans and others like them applicable to other crops. It is our hope that in reviewing them and in subjecting them to the processes of the Congress, we can develop improvement in programs for farmers.

Mr. Speaker, it is beyond all understanding that the President would veto Senate Joint Resolution 162 and endorse the actions of his Secretary to reduce again the already depressed conditions of farm families at the same time he is developing pump-priming measures to combat unemployment in our towns and cities. He seems to be totally unaware that the work of his Secretary,

which we in the Congress have acted to forestall, would inevitably intensify the very recession that he is trying to cure.

The rural economy of America and the urban economy of America are intermixed and inseparable. Both must be prosperous, or else one will drag down the other.

Mr. Speaker, I appeal to the President, before it is too late—before we have a full-fledged depression in this country—that he comprehend this interdependence of our rural and urban people, that by all means he approve the "hold the line" legislation for agriculture embraced in Senate Joint Resolution 162, and that he then cooperate with the Congress—Democrats and Republicans alike—with measures in agriculture to restore prosperity on our farms and to turn back and banish the recession now gripping our towns and cities.

#### Program of Action To Accelerate Recovery

##### EXTENSION OF REMARKS

##### HON. WILLIAM F. KNOWLAND

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Monday, March 24, 1958

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there may be printed in the CONGRESSIONAL RECORD a statement issued by me at Sacramento, Calif., on March 21, 1958, outlining some of the steps which had been taken by the administration and/or the Senate toward the acceleration of economic recovery.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF UNITED STATES SENATOR WILLIAM F. KNOWLAND AT SACRAMENTO, CALIF., MARCH 21, 1958

The administration and the Congress are facing up to the dislocations in the Nation's economy.

We have more than 62 million Americans gainfully employed.

Following are the programs and actions taken by the administration and/or the Senate to accelerate recovery:

##### HOUSING

1. In August 1957, the administration reduced the downpayments required by FHA and took action reducing the amount of cash a home purchaser would have to put up at time of purchase.

2. In December 1957, the administration released \$107 million of additional funds for purchase of military Capehart housing loans by the Federal National Mortgage Association.

3. At the same time, the President released an additional \$50 million of capital grant funds for urban-renewal projects and an additional \$20 million for the purchase of FHA-insured loans for cooperative housing by the FNMA.

4. In January 1958, the administration rescinded the FHA rule requiring that closing costs must be paid in cash. This had the effect of reducing the cash investment required by a home buyer when purchasing a home under an FHA-insured mortgage.

5. In March 1958, the maximum yields allowed on VA-guaranteed loans traded in the secondary market were allowed to rise by adjusting allowable discounts. This move was made to attract more funds to the GI program.

6. In March 1958, the President released \$200 million for use in the special assistance program of FNMA. FHA-insured and VA-guaranteed loans of \$10,000 and less were made eligible for purchase by FNMA. This will stimulate building of homes for citizens of modest means and expedite other authorized programs. If more funds are needed, the administration will ask for them.

7. During February and March 1958, the Federal Housing Administration took several steps to speed up its processing of loan applications and began the practice of using local fee appraisers to supplement its salaried staff of appraisers.

8. The Federal Home Loan Bank Board has announced that, effective April 15, 1958, member institutions may arrange long-term financing up to five years with the Home Loan banks. This would increase the availability of funds for investment in home mortgages in areas that recently have experienced a shortage of such funds.

9. In addition, the administration has made a number of requests for legislative action by the Congress, including:

a. Repeal the requirement that discounts be controlled and allow administrators of the housing programs to establish maximum permissible interest rates within overall statutory limits.

b. Raise the maximum statutory permissible interest rates on:

- (1) VA-guaranteed loans.
- (2) FHA-insured rental project loans.
- (3) FHA-insured cooperative housing loans.
- (4) Capehart military housing project loans.

c. Raise the maximum permissible loan amounts for FHA-insured home loans from \$20,000 to \$30,000.

d. Increase FHA's insurance authorization by an additional \$3 billion for each of the next 5 years.

e. Act promptly on FHA's request for a supplementary appropriation for the 1958 fiscal year of \$2 million to speed up processing of applications being received.

#### DEFENSE CONTRACT AWARDS

Defense contracts let are being sharply accelerated. These contracts will provide increased employment in many industrial communities.

1. Defense procurement, construction, and other contracts placed in calendar year 1957 totaled \$17.8 billion. They are estimated to rise by \$5.8 billion in calendar year 1958, to a total of \$23.6 billion.

2. Of the \$1,715,000,000 of obligations planned for military construction (exclusive of housing) in the months February through June 1958, \$450 million are planned for labor-surplus areas of the Nation.

3. And the Defense Department is looking into the possibility of speeding construction projects already under way in labor-surplus areas without increasing the total cost to the Government.

4. On orders of President Eisenhower, the military departments have, in recent days, acted to award more procurement contracts in labor-surplus areas, with first priority to small-business concerns in such areas.

5. A new clause is being inserted in future contracts urging prime contractors to give preference to qualified subcontractors in labor-surplus areas to the full extent permissible under existing law.

6. The military services are also reexamining their procurements to assure that the maximum number of contracts are available to small business generally as well as to labor-surplus areas.

#### HIGHWAY

Federal-aid highway expenditures will have an appreciable impact on the economy in the months ahead in the direct employment of labor and materials and by stimulating large amounts of additional indirect investment.

1. The administration has accelerated its spending for highways. In the current 1958 fiscal year estimated spending is \$800 million more than in the last fiscal year ended June 30, 1957. Spending in fiscal year 1959 will be \$600 million more than in 1958.

2. President Eisenhower revealed he will ask Congress to suspend for 3 years certain expenditure limitations in the Federal Highway Act. Such amendment, he said, would permit apportionments to the States of an additional \$2.2 billion of Federal funds, all of which will be placed under contract during calendar years 1958-61.

Adoption of the amendment will permit apportioning during each of those years a total of \$2.2 billion of Federal funds for interstate-highway construction alone.

#### CIVIL PUBLIC WORKS

1. The administration plans to increase Federal spending on civil public works in the current fiscal year and in fiscal year 1959.

In total, spending will increase by \$440 million in fiscal year 1958 over fiscal year 1957 and by \$240 million in 1959 above 1958.

2. The President instructed the Director of the Budget Bureau to accelerate, where practicable, the construction of projects for which appropriated funds are available. Speeding up of civil projects alone, many of which are already in the planning and engineering stages, will result in the expenditure of nearly \$200 million several months earlier than previously planned.

This earlier expenditure will step up such construction programs as Corps of Engineers civil works, the improvement of roads and facilities in national parks, and the Bureau of Indian Affairs roadbuilding maintenance activities.

3. Water-resource projects have also been accelerated in the 1958 fiscal year, and the affected departments are submitting amendments to the budget as are needed to continue this higher building rate in 1959. Additional amounts requested are:

*In millions*

a. The Department of the Interior, Bureau of Reclamation	\$46
b. Department of the Army, Corps of Engineers, rivers and harbors and flood control	125
c. Department of Agriculture (watershed-protection and flood-prevention projects)	15
Total	186

4. In addition, the President said he will ask an amendment to the Department of the Interior budget to allow an early start on small reclamation projects which were authorized by the 1956 Small Projects Act.

Here is the increased spending picture for civil public works:

[In millions]

	Fiscal year		
	1957	1958	1959
Commerce and housing (excluding trust-fund-financed highways)	\$172	\$325	\$424
Natural resources (mainly water resources)	841	958	1,012
Labor and welfare (hospitals, schools in impacted areas)	127	219	261
Veterans (mainly hospitals)	40	43	41
Agriculture and agricultural resources (grain storage and watershed control)	48	61	165
General Government building	63	126	165
Total (rounded)	1,290	1,730	1,970

#### UNEMPLOYMENT COMPENSATION

President Eisenhower announced he would propose to Congress a program to extend the duration of jobless benefits for unemployed workers. Federal funds would be used to grant unemployment compensation for an additional period, perhaps 13 weeks.

(Benefit levels and lengths are set by the States and paid from payroll taxes on employers. Maximum duration of payments now varies by State from 16 to 30 weeks, with most covered workers eligible for 26 weeks.)

#### LEASE-PURCHASE PLAN

Projects currently authorized in General Services Administration program of lease-purchase for acquiring public buildings total 92.

In calendar year 1958, 58 projects will be started involving \$105 million of financing.

The administration has scheduled a sharp expansion for calendar year 1959, with an estimated \$300 million of financing for the 34 remaining projects.

The law authorizing lease-purchase programs expired July 1957 and legislation is needed to permit the program to continue beyond the 92 projects currently authorized.

#### URBAN RENEWAL

Action under the urban renewal program will increase substantially in fiscal year 1958 and 1959. One hundred projects will be started in fiscal year 1958 and 120 in fiscal year 1959, compared with 56 in fiscal year 1957.

As part of his housing program, the President requested an additional \$200 million for the fiscal year beginning next July 1.

On March 19, 1958, the President wrote a letter to the Housing and Home Finance Administrator urging acceleration of the urban renewal program which with Federal, State, and local funds involves \$1 billion.

#### EXPORT-IMPORT BANK

It is estimated that credits extended by the bank will finance \$625 million of shipments abroad in the first half of calendar year 1958, of which a substantial part will be machinery and equipment.

Exports financed by Ex-Im Bank credits are expected to rise further in the last half of the calendar year, for which the President has asked Congress to increase the bank's lending authority by \$2 billion.

Action on this request would accelerate the bank's lending activities with direct benefits to employment in many communities.

(Note: Senate passed S. 3149, which provides a \$2 billion increase. The House bill, H. R. 10459, has been reported from committee and is on the House Calendar.)

#### OTHER LEGISLATIVE REQUESTS OF THE ADMINISTRATION

1. Special assistance to areas of high and persistent unemployment.

2. Tax relief for small business.

3. Removal of the statutory limit on the life of the Small Business Administration and provision of new authority for loans to small business.

4. A \$2 billion program to modernize post office buildings and equipment.

5. \$46 million supplemental appropriation for Hill-Burton hospital grants.

#### OTHER ACTION TAKEN BY THE ADMINISTRATION

The following funds held in reserve by the Budget Bureau at the instruction of the President were released:

1. \$8 million to General Services Administration for repair and improvement. February 8, 1958.

2. Twelve million five hundred ninety-seven thousand dollars to REA for loans, March 6, 1958.

The President released letters designed to accelerate federally aided construction total-

ing more than \$2 1/4 billion in private, State, local, and Federal funds.

a. To Housing and Home Finance Agency under which are the following programs:

- (1) Public facility loans, \$75 million.
- (2) College housing loans, \$300 million.
- (3) Urban renewal (redevelopment and supporting facilities, \$1 billion.
- (4) Public housing, \$140 million.

b. To the Secretary of Agriculture:

- (1) Rural electrification and telephone loans, \$740 million.

#### FEDERAL RESERVE CREDIT AND MONETARY POLICIES

The Federal Reserve System is independent of the administration. The President does not direct the operations of the Federal Reserve Board and banks. Therefore, technically speaking, actions of the Reserve Board to relax credit restrictions cannot be attributed to the Eisenhower administration. Nevertheless, the actions taken by the Board, however independent of the administration, have an impact on the economy. The Board has certainly acted in light of the recession and has certainly consulted with the administration.

Steps have been taken by the Federal Reserve authorities to increase the availability of credit and to reduce its cost to borrowers.

1. Discount rates member banks must pay when they borrow from Federal Reserve Banks were reduced 3 times beginning last November:

- (a) November 1957 the rate was cut from 3 1/2 percent to 3 percent.
- (b) January 1958 the rate was cut from 3 percent to 2 3/4 percent.
- (c) March 6, 1958 the rate was cut from 2 3/4 percent to 2 1/4 percent.

2. Reserve requirements have been reduced twice so far since January 1958. These are the amounts that reserve banks must keep as a percentage of their demand deposits.

a. On February 19 the reserve requirement was cut by one-half of 1 percent. This released about \$500 million, which could support some \$3 billion increase in loans and discounts.

b. On March 18 the reserve requirement again was cut by one-half of 1 percent, releasing about \$490 million. This makes possible an expansion of funds available for loans and discounts of about \$3 billion.

The increased availability and lower cost of credit which these steps are bringing about help promote a higher level of home building and of construction generally. They will make it easier, and less expensive, for State and local governments to move forward with construction of needed public facilities.

#### ANTIRECESSION ACTION OF THE SENATE, 85TH CONGRESS, 2D SESSION

1. Passed supplemental defense appropriation bill for fiscal year 1958 (Public Law 85-322, providing \$1,260 billion in new funds and \$150 million in transfers from old funds to speed high priority missile and bomber programs).

2. Passed supplemental appropriation for Labor Department providing \$25 million more for unemployment compensation for veterans and \$18.4 million for unemployment compensation for Federal employees (Public Law 85-324).

3. Passed bill providing disaster loans for small business suffering loss on account of rain damage (Public Law 85-335).

4. Passed bill to stimulate residential construction by some 200,000 new homes. Bill went to the House for action.

5. Adopted Senate Concurrent Resolution 68, favoring acceleration of civilian construction programs for which funds have already been appropriated—estimated to total about \$4 billion. Adopted March 12, by vote of 93 to 1. The resolution contained Congressional commendation of the President and executive agencies for "such action as they have taken to accelerate these programs."

6. Adopted Senate Concurrent Resolution 69, favoring acceleration of military construction programs for which funds have already been appropriated—estimated to total on February 1, 1958, about \$1.8 billion in unobligated funds. Adopted March 14, by vote of 76 to 1. The resolution commended the President and the executive agencies for "such action as they have taken to accelerate these programs."

7. Passed a bill to extend the Agricultural Trade and Development Act for 2 years to help dispose of farm surpluses.

#### Japanese Plywood Made of Soviet Russian Logs Is Depriving American Workers of 8,000 Jobs

#### EXTENSION OF REMARKS

OF

#### HON. RUSSELL V. MACK

OF WASHINGTON

#### IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. MACK of Washington. Mr. Speaker, Japan is now buying logs from Russia and shipping the plywood she makes from these Soviet logs into the United States.

According to the Tokyo correspondent of the *Lumbermen*, an independent, large and influential timber industry trade publication of Portland, Oreg., Japan's purchase of Russian logs in 1958 will total 198 million board-feet. Since 1,000 board-feet of logs makes 1,500 board-feet of 3-ply standard plywood, this means that this quantity of Russian logs would produce 300 million board-feet of standard plywood, or if the Russian logs were used only as core stock, that the Russian material could be used in the manufacture of as much as about 1 billion board-feet of Japanese plywood.

The present heavy imports of Japanese plywood are depriving about 8,000 Pacific Northwest and southern plywood plant workers and the loggers who supply them raw materials of employment.

We of the plywood producing areas do not want to deprive the Japanese of a reasonable share of the plywood market of the United States. However, we feel that Japan's plywood sales in the United States should be limited to about one-third Japan's 1957 volume. If this were done, Japan still would have a far larger share of the American plywood market than she ever enjoyed prior to Pearl Harbor and the Korean war while our domestic plywood industry would experience greater prosperity and its workers less unemployment.

I made a statement to the Ways and Means Committee today on the need of a quota limit on Japanese plywood imports. My statement to the committee follows:

STATEMENT BY REPRESENTATIVE RUSSELL V. MACK, OF WASHINGTON, BEFORE THE HOUSE WAYS AND MEANS COMMITTEE, MONDAY, MARCH 24, 1958

Mr. Chairman and members of the committee, I thank you for this opportunity to inform your committee of a very serious unemployment condition in the Pacific Northwest States of Oregon and Washington that

has resulted from too heavy imports of Japanese plywood.

Japanese plywood imports which were only 13 million square feet in 1951 and 21 million square feet in 1952 increased to more than 686 million square feet in 1957.

These 1957 imports of Japanese plywood had a wholesale value of about \$60 million and were the equivalent of the combined output of 12 large plywood mills that employ a total of about 5,000 American plywood workers. Because of these plywood imports about 5,000 American workers in plywood mills of the South and Pacific Northwest are out of jobs and in addition in the two areas about 3,000 loggers who supply these mills with raw material are unemployed. As the result of this heavy unemployment in plywood producing areas, which is largely the result of plywood imports from Japan, many small businesses and their employees are suffering employmentwise and incomewise.

I am inserting here a table showing how Japan's plywood production has expanded during recent years and how her shipments of plywood into the United States has increased by leaps and bounds year after year. This table follows:

*Japan production and exports of plywood to United States*

[In million square feet]

Year	Production	Exports to United States
1951	625	13
1952	789	21
1953	1,064	112
1954	1,404	311
1955	1,800	436
1956	2,230	541
1957		686

There have been rumors and reports that Japan voluntarily has agreed to curtail her exports of plywood to the United States to 400 million feet a year. I can find no official evidence of this.

A dispatch from the United States Embassy in Tokyo to the American State Department (No. 894-391) dated September 1957 said that Japan had agreed to curtail her plywood exports to the United States for the 6 months, October 1, 1957, to April 1, 1958, to 310 million board-feet. This, on an annual basis, would be 620 million board-feet. This, if adhered to, would be a reduction of only about 10 percent on the 686 million feet of plywood Japan shipped into the United States in the calendar year 1957. Such a small reduction would have no appreciable effect in increasing jobs in the American plywood industry.

I have obtained figures showing Japan's shipments of plywood figures in the last quarter of 1957. These show that in the last 3 months of 1957 United States imports of Japanese plywood totaled 167 million board-feet.

Imports by months of plywood from Japan were: October, 58 million board-feet; November, 44 million board-feet; and December, 65 million board-feet. This is at about the same rate of plywood imports from Japan as for the entire year 1957 and far above the 1956 import figures.

The wage rate in the Japanese forest-products industry is only 11 1/2 cents an hour. Our American workers cannot and should not be expected to compete with such a low wage scale.

It is interesting to note that Japan last year shipped goods of all kinds valued at \$625 million into the United States. Plywood exports from Japan represented, therefore, about 10 percent of her total exports to the United States. Our plywood industry is one of the hardest hit of all industries by these Japanese imports.

The Japanese plywood industry is still expanding and growing as the table of Japan's plywood production indicates—increased from 625 million board-feet in 1951 to 2,250,000,000 board-feet in 1956 and to 2,600,000,000 board-feet in 1957. I am told the rated annual capacity of her plywood mills is now about 3,600,000,000 board-feet. In short, Japan's plywood mills can produce a billion board-feet a year more plywood than they produced last year.

Unless something is done by the Ways and Means Committee and Congress soon to place some limits on these Japanese plywood exports, our American plywood industry and its workers will suffer even more severely in the months and years ahead than it is suffering employmentwise and prosperitywise now. If Japanese plywood exports continue to increase, more of our American plywood mills will be forced out of business.

#### JAPAN USES RUSSIAN LOGS

Logs from the Soviet Union now are being used by Japan in the making of her plywood. This means that when Americans buy Japanese plywood they are, indirectly, trading with Russia and thereby helping the Soviet economy.

Where do I get the information that Japan is buying logs from Russia? I obtained it from a Japanese source, and from a Japanese authority.

The Lumberman, of Portland, Oreg., a large and influential trade paper of the Pacific coast lumber industry, recently published a news article written by its Tokyo, Japan, correspondent, Mr. Kenji Sakai. The news article by Tokyo correspondent Sakai, as published in the Lumberman, follows:

#### "JAPANESE TO INCREASE SOVIET TIMBER IMPORTS

“(By Kenji Sakai)

“**TOKYO, JAPAN.**—Late in 1957 a general trade agreement was at least realized between the Soviet Union and Japan. As result, Japanese importation of Soviet timber in 1958 will be more than three times as much as in 1957.

“In 1957 Japan imported nearly 60 million feet of Siberian coniferous wood. In 1958, Japan is enabled to import up to 500,000 cubic meters. This would be equivalent to about 198 million feet. MITI has arranged a permit for the use of foreign currency held by Japanese for the import.

“The outlet ‘windows’ composed by importing firms have organized a new import association. On the other hand, the actual recipients of the Soviet timber are now composing a nationwide federation of North-Seas-Timber Import Association and this federation composed of nationwide timber merchants and sawmills.

“Annual Japanese import of North American timber has held a level of 70 million feet or so. There is a difference in species and monetary value by species, but so far as quantity is concerned, the import from North America will be superseded in 1958 and onward by the import from the Soviet.”

You will note that Correspondent Sakai, in this article, reports that whereas Japan imported 60 million board-feet of logs from Russia in 1957 that she expects to import from Russia 198 million of Russian logs in 1958.

One thousand board-feet of logs produces 1,500 board-feet of 3-ply plywood. If all of the Russian logs imported this year were used in making plywood panels, they would produce about 300 million board-feet of plywood. If, however, the Russian logs were used only to make core stock for plywood panels, the Russian logs could go into the making of almost 1 billion board-feet of Japanese-made plywood.

A Japan Forest Resource Utilization Rationalization Conference in a statistical re-

port on Japanese timber imports from Russia gives the following figures:

Japanese import of Soviet timber	
	Board measure
1954	960,000
1955	8,160,000
1956	26,000,000

Tokyo newspaper correspondent Kenji Sakai in his article in the Lumberman says that Japan's 1957 imports of timber from Russia were about 60 million square feet or more than double the quantity imported in 1956 and that 1958 imports from Russia are estimated to be 198 million square feet or 6 times the quantity of Russian timber Japan imported from Russia in 1956.

#### QUOTA LIMITS URGED

My constituents in the plywood industry, its operators and its workers, are not asking that our doors be closed tightly against all Japanese plywood imports. We are asking, however, that quota limits on the amount of plywood Japan is permitted to ship into the United States be imposed.

We believe that if Japan were permitted to ship into the United States 250 million square feet of plywood a year instead of the almost 800 million square feet she now is shipping annually into our country that Japan still would have a large market in the United States—a far larger market for Japanese plywood than she ever enjoyed prior to Pearl Harbor and World War II. However, by limiting her to 300 million feet valued at \$20 million a year about 3,700 jobs in American mills could be saved for American plywood workers and 2,500 other jobs created for loggers who are now idle.

## Red Propaganda in United States Is Unchecked

### EXTENSION OF REMARKS

OF

### HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the sixth in a series of eight articles by the Honorable FRANCIS E. WALTER, chairman, House Committee on Un-American Activities, on the Communist conspiracy in the United States. This series of articles recently appeared in the Philadelphia Inquirer:

#### PROPAGANDA IS UNCHECKED

(By Representative FRANCIS E. WALTER)

Most Americans hailed it as good news when the Daily Worker, after slavishly disseminating vicious Communist propaganda in the United States for so many years, ceased publication shortly after the New Year.

To exaggerate the importance of the Daily Worker to the Communist conspiracy would be dangerous self-delusion. The party newspaper was sent down the drain for the Communists' own good reasons but a mammoth Red propaganda operation is still flooding the United States with tons of literature from behind the Iron Curtain, most of it in violation of the Foreign Agents Registration Act.

This law is the special interest of the section of the Justice Department in which Judith Coplon was employed and it was no coincidence that Soviet spies were vitally concerned about obtaining information from that branch of the American Government.

The Committee on Un-American Activities investigated three phases of the Communist propaganda campaign, tracing it back to the Soviet Union, Red China, and the satellites—East Germany, Poland, Hungary, and Czechoslovakia. These were:

1. A drive to lure refugees and defectors, who have found asylum in America, back to the slave-camp homelands from which they had fled.

2. Propagandizing by Americans who penetrate the Iron Curtain through the fraudulent use of passports.

3. Treasonable activities of American Communists in spreading propaganda among American prisoners of war in Korea.

Most of the refugees who receive literature from behind the Iron Curtain, react indignantly because they have already repudiated the terror governments of the countries from which they fled. Moreover, they have been acutely disturbed to learn that the Communist apparatus has been able to locate their addresses and in some cases to discover newly assumed identities in this country.

The purpose of this campaign is twofold: First, to create dissension and dissatisfaction among the refugees about conditions in the United States and to develop a sympathy for the Communist program; second, to lure the refugees back to their native lands, where they can be reindoctrinated for espionage and subversive purposes.

The uniform nature of the propaganda publications proves beyond question that the campaign is conducted in a highly integrated fashion by the international Communist apparatus.

A great deal of it holds out to refugees glowing promises of free transportation, food, clothing, good living quarters, and excellent jobs for those who will return to their native lands. Some even promise leniency to those who may have violated laws at home if they are genuinely sorry and desire to redeem themselves through honest work for the homeland.

The particular treachery of this bait lies in the fact that even refugees who have acquired American citizenship may lose this protection once they set foot on their native soil. Poland, for example, refuses to recognize the American citizenship of any Poles who have become naturalized here.

In one 4-week test, officials of the Bureau of Customs and the Post Office Department identified some 32,000 packages containing propaganda—each package comprising from four to a dozen separate publications—entering the port of New York and destined for Pennsylvania.

Pennsylvania, in fact, ranked fourth among the States in the amount of propaganda dumped from abroad, and New Jersey was third. To learn how the stuff was distributed to individuals, the Un-American Activities Committee questioned a number of witnesses, with interesting results.

One was a young German, Werner Marx, who admitted he had come to America to escape the Nazi terror. He served in the United States Navy during the war; as a result, he was able to obtain his master's degree from the University of Pennsylvania at Government expense.

Richard Arens, committee counsel, examined Marx:

“I put it to you that since you have been a resident of Philadelphia, without being registered as a foreign agent, pursuant to the Foreign Agents Registration Act, you have been receiving foreign Communist political propaganda and have been a nerve center for the dissemination of political propaganda in this community.”

Marx, the refugee who had found freedom and protection in America, refused to answer claiming the privileges of the fifth amendment.

The fraudulent use of American passports by Communists presents a particularly difficult problem. The issuance of passports

to party members is prohibited by the Internal Security Act of 1950, but Reds often have managed to defeat the law. The party, for example, has stopped issuing membership cards and in many cases has specifically forbidden strategically placed adherents to join the party.

At one series of hearings, our committee summoned some 20 witnesses, all of whom had traveled abroad since the end of the Second World War. Many had taken part in international Communist-controlled meetings as officials, delegates, or observers. A review of their passports exposed the trickery by which they had entered countries their passports did not entitle them to visit.

When the travelers presented their passports to an Iron Curtain country the Communists did not, as required by law, affix an entry visa. Instead, they gave the visitors separate bits of paper on which the visas were stamped. In some cases—apparently by oversight—the visas were stamped in the passports but were later eradicated. The FBI was able to re-create the visa stamp by a chemical process.

To show how some of these Americans behaved abroad, consider the case of Louis Wheaton, identified as deputy secretary general of the Peace Liaison Committee of the Asian and Pacific Regions. Following is a portion of a speech made by Wheaton, as reported in an English language broadcast from Peking on October 31, 1952:

"It is time that a few things be said to us, the people of the United States. The first-hand accounts of the conduct of our troops abroad are shocking. American troops' vicious and criminal behavior is absolutely horrible.

"These accounts were given by newspaper correspondents of many lands, as well as by the Korean peace delegation to the conference. The people of Asia and the Pacific region are convinced these accounts are true.

"In one village in Korea, more than 300 children were put into one warehouse and their mothers into another nearby. Gasoline was poured around the warehouse where the children were and set afire. The mothers, hearing the screams of their children, broke down the doors and windows. As they were trying to save their children, these mothers were machinegunned by our troops."

The same hearings provided proof that Americans who took part in various Communist-dominated conferences for peace or youth—held abroad—were knowingly or unknowingly, an integral part of the Communist movement.

These peace conferences and youth festivals attract delegates from all countries of the world, but they are dominated by the Iron Curtain spokesmen, and their purpose is to propagandize in behalf of the foreign policy of the Soviet Union and against the foreign policies of all free nations.

Without exception, delegates to these conferences have unanimously supported all resolutions proposed by the Communist leaders, and the Communist delegates from non-Communist countries—including Americans—inevitably attacked their own governments.

Never once have delegates from Soviet-bloc countries condemned their own governments nor, significantly, did any delegates from the United States condemn the long record of Soviet aggression and inhumanity.

The Communist invasion of South Korea, which exposed Moscow's aggressive intentions for the whole world to see, received warm endorsement from American Communists, who played upon the hardship and suffering of Americans fighting this menace at the front in one of the most cold-blooded examples of Red treachery.

The story of the Communist-inspired Save Our Sons Committee was exposed through the aid of an FBI undercover agent, Anzelm Czarnowski, of Argo, Ill. The SOS Commit-

tee, he told our investigators, was organized in October 1952, with the professed purpose of promoting a cease-fire in Korea and drew into its orbit many non-Communists motivated by a genuine desire for peace.

The fact is, the organization was conceived by Communists as an instrument for removing United States troops from the scene so that South Korea would be left at the mercy of Communist invaders.

As part of its scheme, the committee periodically released a bulletin entitled "Save Our Sons," which it mailed to relatives of American prisoners of war. The issues usually included reprints of letters purportedly written by Americans held in Korean prison camps. They appeared to be authentic, since they bore the signatures of known PWs.

What the unsuspecting families did not know was that most of the letters had been forged or had been written under duress.

Chairman of the SOS Committee was Mrs. Florence Gowgiel, of Argo, whom Czarnowski told us he had known as a member of the Communist Party since 1946. Her connection with the party was well concealed, however, by the SOS outfit.

As part of her campaign, she wrote letters to many prisoners of war in Korea. Cooperating with her, Communists in Korea forced the prisoners to read these letters over loud speakers to fellow prisoners.

The infamous SOS machine went even further in exploiting the plight of American prisoners. In 1953, for example, it circulated what it said was a letter written to Mrs. Gowgiel by a prisoner named Dale E. Jones. In part, the letter stated:

"I am certain that the majority of the American people know that this war in Korea is useless and inhuman. Thousands of people are dying just because a few individuals want a little more for themselves. They even kill their own people in order to make it that way. That is why the American people must urge President Eisenhower to keep his promise and put an end to the Korean war, peacefully."

"We want to return to our loved ones very bad, even though we have been treated with the best of care. We never have a dull moment here in this camp but we want to come home. The Chinese people don't want to kill and cripple the American boys. They are here to protect their own country from being invaded."

Private Dale E. Jones eventually appeared before the Un-American Activities Committee. He testified he had never written to Mrs. Gowgiel, nor had he ever seen the letter that allegedly bore his signature.

Mrs. Gowgiel, who had loudly and ceaselessly preached and promoted the cause of communism, was given her chance to explain her curious activities on behalf of an enemy of her country. She chose, instead, silence, on the ground that she did not wish to incriminate herself.

### Plans for the 1958 Congressional Tour of New York City, May 23, 24, and 25, for Members of Congress and Their Families Have Been Completed

#### EXTENSION OF REMARKS OF

#### HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. VAN ZANDT. Mr. Speaker, plans are being completed for the annual Congressional tour of New York City for

Members of Congress and their families on May 23, 24, and 25.

This annual Congressional tour for Members of both branches of Congress and their families provides for 3 glorious days in New York at a cost of \$37.50 each for adults and \$32.50 each for children between the ages of 5 and 12 years.

This year's trip will include a reception at New York City Hall, a visit to the United Nations, a day at West Point Military Academy, a reception on a transatlantic liner, a visit to New York's Chinatown, and several other receptions at various hotels. Opportunities for attending New York shows are included in the schedule.

Since there are no primary elections scheduled for the weekend of May 23, 24, and 25, Members of both branches of Congress interested in making the tour should reserve that period for an enjoyable period in New York. Those wishing to obtain further information may call Miss Patricia Bryan in my office, extension 4576.

### Extension of Reciprocal Trade Act

#### EXTENSION OF REMARKS OF

#### HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. SIKES. Mr. Speaker, I request permission to place in the CONGRESSIONAL RECORD as a part of my own remarks, a statement which I have made to the House Committee on Ways and Means on the extension of the Reciprocal Trade Act. The statement follows:

STATEMENT OF CONGRESSMAN ROBERT L. F. SIKES BEFORE THE HOUSE COMMITTEE ON WAYS AND MEANS ON THE EXTENSION OF THE RECIPROCAL TRADE ACT

Mr. Chairman, I do not appear in opposition to the extension of the Reciprocal Trade Agreements Act, if a reasonable modification can be had. I could not, however, vote for the extension of this act in its present form. I think it extremely important that a new concept of reciprocal trade be written into this year's bill. American industry is feeling the pinch of foreign competition very keenly and many American plants are destined to be closed and many more American workmen to be forced out of employment if the present program is re-enacted without change. When the livelihood of our own people becomes so obviously affected, we in the Congress must take such steps as are within our power to protect their interest.

I still believe in the original purpose and intent of the Reciprocal Trade Agreements Act. But, I note that the Constitution states very clearly that Congress shall review the decisions of the Tariff Commission. By the simple process of restoring to Congress this power, which now is vested in the President by law, the reciprocal trade program can again become a good thing.

It is my opinion that the efforts of this Nation to be helpful to its neighbors throughout the world is being taken advantage of by other nations under the guise of the Reciprocal Trade Agreements Act. The State Department, in its zeal to further good will and to assist in world progress, has, I fear, lost sight of the dangers which

are inherent in the present act to American economy. Certainly it is not intended that the United States should carry the entire load of world affairs. We are not economically able to do so. We have already done far more than our share.

I have noted the effect of low wage competition from abroad on business in community after community across the Nation. If the act is continued in its present form, there will inevitably be increased imports of the products of cheap labor abroad that will mean more business failures and increased unemployment at a time when we cannot afford it. A case is made by advocates of the present Reciprocal Trade Act for the flow of American goods abroad. Actually, these exports may or may not be affected by the modification of the Trade Agreements Act which is proposed. But, in any event, the exporters who benefit are localized; the American industries which are adversely affected are nationwide. The truth of the matter is we have built up serious foreign competition for our own producers very largely with American dollars, American know-how, and American sponsorship. But, we cannot continue to support this foreign competition out of our own pockets to the detriment of our own people.

I have expressed my general interest in this matter. I have also a specific interest.

I have the honor to represent the Third District of the State of Florida. I have a number of plywood and veneer plants in my District that are being seriously affected by the ever increasing imports of foreign plywoods. Supplying those plants are numerous loggers, truckers, and timberland owners. The impact of the imports is affecting these companies and their employees and their suppliers.

The crux of the unfortunate situation lies in the fact that foreign producers, and I am speaking primarily of Japan, pay their workers such very low wages that they can market their product in this country and undersell our domestic producers again and again.

To illustrate the damage done by foreign companies, may I cite a few statistics. Imports in 1951 counted for but 7 percent of the domestic consumption with Japan taking 1 percent. Today, imports account for 52 percent of domestic consumption and Japan is furnishing 42 percent. When the hardwood-plywood industry, or indeed any American industry, suffers the loss of over one-half its markets, its position becomes untenable.

The economy of the country is now, it is well recognized, in a depressed state. We in the Congress are talking about all manner of relief. What manner of relief then is necessary for the hardwood-plywood industry, relief which in turn will help the loggers, truckers, and the timbergrowers? The answer is simple, it is the establishment of quantitative quotas. As has been said many times, in and out of Congress, the Japanese have instituted voluntary quotas since 1956 and as has been proven, the Japanese have flagrantly violated these so-called quotas since their inception. It has been suggested that an increase in duty on plywood imports would save this industry, and this, too, is not true. With a labor cost in Japan of \$4.17 per thousand square feet as opposed to a labor cost in the United States of \$38.50 a thousand square feet, a tariff of 100 percent might be imposed and the Japanese would still undersell our producers in our own markets. It has been suggested that the industry turn to the Tariff Commission once again as it did in 1955, but this would be useless. Only quotas will save our industry and the President has publicly stated many times that he will not approve Tariff Commission recommendations for quotas on industrial products.

It is time that Congress took a good, hard look at this grave situation which is facing not only the American hardwood-plywood industry, but many other industries as well,

and then reassert through legislation its control over the Tariff Commission's decisions. And, it should write into law a strong provision for the establishment of import quotas for injured American industries that must have them.

I advocate and support measures to return the regulation of our foreign commerce to the Congress, including amendment of the escape clause of the Trade Agreements Act, so that it will provide:

That all recommendations of the Tariff Commission be submitted to the Congress for approval or disapproval instead of the President; that any such recommendations by the Tariff Commission with respect to import quotas and duties shall be final and become operative until disapproved by Congress and; that there should be set forth explicit guidelines to govern decisions of the Tariff Commission with respect to the establishment of duties and import quotas.

I want to thank you, Mr. Chairman, for this opportunity to appear before your honorable committee today.

**Statement of Hon. Robert W. Hemphill,  
of South Carolina, Before the House  
Committee on Ways and Means on  
Proposed Extension of the Reciprocal  
Trade Agreements Act**

**EXTENSION OF REMARKS  
OF**

**HON. W. J. BRYAN DORN**

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. DORN of South Carolina. Mr. Speaker, my colleague, Hon. ROBERT W. HEMPHILL, made an outstanding statement to the Ways and Means Committee on the subject of reciprocal trade. Mr. HEMPHILL's statement is worthy of the attention of the entire country:

**STATEMENT OF HON. ROBERT W. HEMPHILL,  
FIFTH DISTRICT OF SOUTH CAROLINA, BEFORE  
THE COMMITTEE ON WAYS AND MEANS ON  
PROPOSED EXTENSION OF THE RECIPROCAL  
TRADE AGREEMENTS ACT, MARCH 13, 1958**

Mr. Chairman, and distinguished members of the Ways and Means Committee, I appreciate very much the privilege of appearing here this morning in behalf of my people to give a statement regarding the extension of the Reciprocal Trade Agreements Act. I confess that I am no expert, that my knowledge is limited to what I have read, and what I have heard, and what I have seen.

In the good old American fashion of name calling, those of us who feel some loyalty and allegiance to our own American industry have been given the label of "protectionist." Is it not strange that American industry and American production need protecting from agreements or legislation in which American investments are being sacrificed?

In my area we are particularly concerned over the effect of reciprocal trade on the textile industry and the plywood industry. The textile industry is fourth in the Nation, and many thousands of people who work in that industry are taxpayers and consumers as well as producers. Any course of conduct by this Government which materially affects the economic well-being of the textile industry must, by chain reaction, generally affect other great industries of the United States. An idle textile worker cannot purchase a new automobile, nor any home appliance, nor is he a desired sort of consumer. I hope you share my desire to

protect this industry in my part of the country, just as I would have a desire to protect industry and its workers in whatever part of the country you represent.

Just a few days ago we learned there are now 5.1 million people unemployed in the United States. This does not take into consideration the textile workers, working 3 days a week, or less, or those in the plywood industry, working the same sort of short week. We must not forget that both capital and labor in these industries support the Government by taxes, support the community and constitute a part of the purchasing power in the particular area in which they are engaged. And if industry is so hampered that it has no demand for its goods, then it does not need producers and unless the employees are producing for wages they do not have any money to spend for other items. I grant you that the standard of living in this country depends upon production and perhaps not on protection, but if we do not give the producer protection, the sacrifice will hurt all of us.

As I understand the policy of the late and revered Cordell Hull, who fathered the program known as the reciprocal agreements program, his idea was to have the trade reciprocal. The idea was to purchase from other countries the things we did not have, such as raw materials, or which we did not produce, by virtue of time, distance, or other factors, and in turn sell to those countries the products of our factories. But what has happened? I will use the Japanese textiles as an example. The Japanese plants take our cotton at 6 or 7 cents below the price our own mills have to pay, pay their workers as little as 10 percent or less of the wage rates paid United States workers and ships back the cotton goods. In the American plants, wages, hours of work, minimum wages, and cotton prices, are all regulated by the Government. Who is most important? The American textile laborer, investor, and American taxpayer, or the Japanese?

I realize that those who are wedded to the idea of reciprocal trade have many statistics as to the percentage of imports. They are going to tell you that the Japanese voluntarily agreed to curtail textile imports to this country. The Japanese did voluntarily agree to curtail imports to this country, an admission of the effect of those imports on our economy; that voluntary action on their part was only after pressure was put on by the State and Commerce Departments of this country.

Not only in my section, but in others have textiles been affected. The New Bedford, Mass., Hoosac Mills has recently announced it is closing 1 plant which employs 800 people. The Lewiston, Maine, Pepperell plant has laid off 60 to 70 employees. Two weeks ago, on a Sunday television program, I saw long lines of unemployed. Down in my section many good taxpaying Americans are working so little they barely have food to eat.

Let me quote you from a letter I received from one of my constituents about another industry that is affected:

"It is the question of the import of Japanese stainless flatware, which has taken a heavy toll on the domestic production of not only stainless steel flatware, but also, sterling, and silverplate.

"My company, which is the largest in the industry, was forced to cut their sales force by about 25 percent the first of the year. I feel very fortunate in still having a job with them, but if the Japanese situation remains as serious as it now is, there will perhaps be more cuts in the future.

"It is my understanding that the Tariff Commission has recommended some relief in increased duty, but this increase will not alter the situation, because of the great difference in price of the American product,

and the Japanese product, due to the 22-cents-an-hour-wage advantage. The silverware industry has meant a great deal to this country in the form of excise taxes for a number of years."

There are some who say that the escape clause, which has been in effect for the last 10 years, will protect us. We are faced, however, with the realization that there has been no concrete definition of the phrase "serious injury," which is the apparent key to the situation. This escape clause is supposed to give industry a right to present its case before the Tariff Commission. There, if serious injury is shown, the Tariff Commission can recommend action by the President to escape from the harmful agreement, and some relief may be realized. So far, however, in the majority of the cases it has proved unworkable because the executive department has failed to honor the recommendations of the Tariff Commission. Meanwhile, one industry after another is hurting and being sacrificed.

Recently the Assistant Secretary of Commerce tried to justify the policy with reference to textiles by saying that while we imported \$46 million in textiles, we exported \$68 million. Let's look at the \$46 million for a second. Those imports would not and could not have existed except for the fact that they could be sold cheaper than our American goods. The reason they could be sold cheaper than ours is because of lower wages, longer hours, cheaper cotton, less taxes, than in America. Meanwhile, the American industry was supporting the Government, management, labor, the local community, and furnishing its share of the taxes which went to make up the difference in the cost of cotton to our foreign competitors. It does not make sense, and it is not right. For some reason, we failed to make provision for the export of our surplus cotton in fabricated goods. No provision has been made that we keep our mills running, our people employed, and our taxes flowing into the Treasury by exporting fabrics, at low or surplus cost, instead of raw cotton, let our Government take up the 6 or 7 cents differential—at least the American people will get the benefit of (1) the use of the surplus cotton, and (2) the benefit of employment to make the fabrics. The differential paid on the fabrics could be paid to industry and earmarked for expansion or improvement to give further employment, and expand our industry. I do not offer this as a panacea for the depression presently upon us, but the potential and benefits are apparent.

I am making no apology for putting America first. The people of America are more important to me than any other people in the world.

There are some who say that if the Reciprocal Trade Agreements Act is not extended we will destroy our position in the world. We cannot escape the fact that such things as we really need such as raw materials, we import duty free. This includes most of our tin, nickel, aluminum, raw wool, part of our petroleum, 25 percent of our iron ore, and about one-third of our copper and rubber. Nobody is going to cut us off. We are good consumers and you and I know we pay exorbitant prices for these raw materials in most instances. The world would not lose us as a market, and the original idea of reciprocal trade would be back in balance, in part, at least.

If it is necessary to have high tariffs to protect our home industries, then I hope this great committee will make some provision for those tariffs; if, adopting the philosophy of more recent times, import quotas are to be used, then I hope this committee will recommend import quotas. Does this country adhere to the GATT strictly despite the departures of the less conscientious participants to that agree-

ment? If so, in the consideration of any reciprocal trade program, should we not take such facts into consideration?

Let us look at the plywood industry for a moment. Yesterday morning I received a letter from one of my constituents and I quote:

"In a newsletter published in Washington to which I subscribe, the current issue reports a considerably better chance to tax reductions, in the face of increasing unemployment. I am not in a position to express an opinion on the subject, but I am well qualified to know that a forced tax cut is in store for the Government when we pay our income taxes for 1957. In 1958, we will pay \$406.50. This serious condition reflects lower prices for products we sold in 1957 and higher costs we had to pay for supplies, etc.

"You have heard a lot about conditions in the plywood industry, brought about directly by having to compete with plywood imported from foreign countries and sold at prices that are probably equal to less than our costs. No doubt the industry has been accused of crying 'wolf, wolf'. So far as this company is concerned, we can now reply, 'We told you so.' I think there is no point in saying anything more to you. You can fill in the rest of the story.

"The administration keeps talking about helping the little man and little business. What about our 65 little employees and this little business. What has become of the 'dignity of the individual,' something Americans have always accepted as our way of life. Surely it has been tossed aside, in favor of a 'foreign' foreign policy."

In the CONGRESSIONAL RECORD of March 6, 1958, on page 3652, the distinguished Representative from the State of Washington pointed out the widespread plant shutdown and unemployment in his area. On January 21, a distinguished Representative from Florida made the same complaint. In a recent Commerce Journal there appeared a story that Japan was tightening the plywood quota for the United States, which recognizes, if our Government will not, the inroads of foreign imports on this industry. In 1937, we imported into this country about 4½ million square feet of plywood and in 1956, 690 million square feet. In 1951, this represented only 8.2 percent of our domestic shipments and 7.6 percent of our domestic consumption, but in 1956 it represented 85.2 percent ratio to domestic shipments and 46 percent of domestic consumption. These are just some of the signs of the times to former flourishing taxpaying American industries. I realize that part of the difficulty arises from the reduced trade-agreements rates made effective pursuant to undertakings created by the United States General Agreement on Tariff and Trade. But what about the escape clause—what good is it if we wait until our industry has been given a death blow before it is put into effect? The best medicine in the world is no good if the patient is dead.

Among the propaganda I have seen, there is a little article put out called "American Stake in Japan." It uses the usual threat of communism to justify America's concessions to Japanese interests. But what about America's stake in America?

In his letter of transmittal of January 30, 1958, the Secretary of Commerce made the following statement with reference to the legislation before you:

"The proposed legislation takes into consideration the Nation's experience under the Trade Agreements Act, the new conditions arising since its enactment, and the need for a sound, reciprocal trade program beneficial to our own economy and in support of our foreign economic policy."

I wonder if the distinguished Secretary failed to take into consideration the industries I have mentioned above, which are in trouble, the tuna fish industry and many

others which are suffering. How is a reciprocal trade program beneficial to our own economy, if we are putting people out of work? Eighty-one thousand workers are out of work today. What is reciprocal trade doing for them?

Again in his letter, he seeks to justify a 5-year period, with adequate authority to reduce tariffs, because, he says, we are in an important period of development of the external tariff of the European Economic Community. I think we are beginning to realize in this country that this is an important period in the history of this Nation, that the economic as well as our military survival is at the crossroads. Europe is booming and a depression is imminent here. Where is reciprocal trade? We must face the answer. Reciprocal trade as now employed by the United States is a disgraceful failure, and is in large measure responsible for the economic difficulties of many industries.

In keeping with the experience of the past few years, if the Reciprocal Trade Agreements Act were to be extended for 5 years, by that time some of our American industries could be entirely wiped out, and could suffer financial ruin waiting for peril-point investigation.

If this committee is going to recommend an extension of the Reciprocal Trade Agreements Act, I hope it will limit it to 1 year. Congress meets every year, and an annual review of the impact of these agreements on our domestic economic situation is certainly in order, especially in these times of threatening economic difficulty.

Much of the criticism of the Reciprocal Trade Agreements Act arises from the fact that the control has been legislated away from the Congress and into the hands of the administration. I have only been in Congress one term, but I have witnessed throughout that limited experience the difficulties impressed upon a Nation by an unwilling, reluctant, or indifferent Executive.

The ineffectiveness of the escape clause was recognized when the policy committee was established by Executive power on November 25, 1957. The establishment of that committee was a step to prevent a move toward a regaining of Congressional control.

If the committee is going to recognize an extension, I hope that some provision will be contained in the legislation, making the findings of the Tariff Commission final unless voided by prompt action of Congress.

I am opposed to any extension of the Reciprocal Trade Agreements Act in its present form, or in the form proposed by the administration. In such form it does more harm than good.

May I urge your consideration of H. R. 11250, introduced by my distinguished colleague from South Carolina, the Honorable WILLIAM JENNINGS BRYAN DORN. The Dorn bill seeks to return reciprocal trade to its normal channels, for the flow of exports to the United States has reached the flood stage—a stage never intended by Cordell Hull. In the years between 1930 and 1958 the situation has gotten out of hand, out of control—this bill will return control.

From the original act (19 U. S. C. 1351) I quote:

#### "PROMOTION OF FOREIGN TRADE

"Foreign-trade agreements: (a) Authority of President; modification of duties; altering import restrictions:

"For the purpose of expanding foreign markets for the products of the United States (as a means of assisting in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce) by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to

those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, the President, whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified, is authorized from time to time"—

This section gives the authority to the President—a wide latitude, since expanded by the 1949 act, GATT, and the acts of 1953, and 1955.

The Dorn bill does not do away with the Tariff Commission, as some have reported. It does change the name, calls for increase in the number and provides for removal only by Congress. Other provisions provide for and outline the duties of the Board.

Section 463 of the Dorn bill is significant. It provides for bilateral agreements, in keeping with the original concept of reciprocal trade. Before the President can enter negotiations he must give 120 days' notice in order that affected or interested parties may have a hearing. It provides for advisory views from agriculture, industry, and labor. We believe such a provision is necessary and practical in order to meet the competition on today's world markets.

Section 366 hits at the weakness in the escape clause of existing legislation. It gives the Board power of determination as to the peril point, before the situation becomes critical. It is the belief of the proponents of this legislation that this provision may prevent damaging invasions such as many of our industries have suffered, and with resulting unemployment of which some of us are acutely aware.

Section 370, related to section 366, provides that the findings of the Board, under provisions of the escape clause, shall, where recommending withdrawal or modification of the concession previously granted, become mandatory and in effect unless the Congress shall disapprove within 90 days.

There are other aspects of this legislation I would like to discuss, had I time. I feel, however, that the experienced members of this committee will go into every detail, in an endeavor to give us some relief. I believe some change in our approach to the problem of reciprocal trade is necessary. I believe the Dorn bill will solve many problems, will help to relieve unemployment, and will in large measure prevent debacles such as have existed in the plywood and tunafish industries, and which overshadows the textile industry today.

#### Al Sarena—Why Legislation To Prevent Another Such Instance Has Been Introduced

##### EXTENSION OF REMARKS OF

**HON. CHARLES O. PORTER**

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. PORTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include an editorial written by Senator RICHARD NEUBERGER and a letter to the editor written by me. Both appeared in the Grants Pass, Oreg., Courier on Friday, March 14, 1958. They speak for themselves and are in reply to an editorial in the same paper, which

editorial was inserted in the RECORD by the gentleman from Michigan [Mr. HOFFMAN] on March 20, 1958.

##### SENATOR NEUBERGER REPLIES

(By Senator RICHARD NEUBERGER)

(When we asked Representative Fay Bristol to write a guest editorial about the Al Sarena case, we rather expected that his offering would bring a reply. It was not long delayed. Senator RICHARD NEUBERGER telephoned us from Washington and asked equal space and prominence to answer some of the charges made by Bristol. We were happy to grant the request, in view of a long-standing policy of always providing space for both sides of controversial issues.)

I appreciate your willingness to grant me space in which to reply to the attack upon me voiced in your editorial column of March 3 by State Representative Fay Bristol. Thank you very much.

At the outset, let me say that the true weakness of Mr. Bristol's arguments, and his fatal lack of objectivity, are demonstrated by his vicious charge that the mother of the Al Sarena operators died of a heart attack caused by tension during the hearing called by NEUBERGER. I know nothing of the circumstances of the death of this lady, who to my knowledge never had any contact with the Congressional hearings on Al Sarena, and of course, I profoundly sympathize with her family. But I think the misrepresentations with which the McDonald brothers, and their political spokesmen such as Mr. Bristol, have been willing to exploit her memory speak for themselves in showing the level at which these men seek to debate the question.

As a matter of fact, to keep the record straight, I did not call the hearings in the first place. The question of the Al Sarena patents came before the Congressional committees in the course of the extensive and valuable review of Federal timber sale policies that was initiated by the two chairmen of subcommittees of the Senate Interior and House Government Operations Committees, respectively, namely, Senator JAMES E. MURRAY, of Montana, and Representative EARL CHUDOFF, of Pennsylvania. As a member of the Senate subcommittee, I participated in these hearings and also in the Al Sarena hearings held jointly by these committees.

I do not intend to impose on your generosity by reviewing again the joint findings of the two subcommittees with respect to Al Sarena. In brief, they found that the solicitor of the Department of the Interior, under Secretary Douglas McKay, had granted the Al Sarena mining patents in the Rogue River National Forest by a special, unprecedented procedure that completely short circuited the United States Forest Service, which had repeatedly protested the patent applications. Thus the national forest timber standing on the claims went to the Al Sarena operators along with the "mining" patents in February 1954, without even prior notice to the Forest Service of this final decision.

I put mining in quotes because in the 4 years since the patents issued, there has been no substantial mining activity on them. But nearly 3 million board feet of lumber have been cut. This timber was obtained by Al Sarena with the patents, at no extra cost.

Mr. Bristol made much of the fact that the McDonalds had invested \$200,000 in their search for minerals. Is it his position that public timber, belonging to the people as a whole, should be given as a consolation prize to people whose mining ventures fail to pan out? I know of no such solace for people who invest unprofitably in farming, saw-milling operations or running a small restaurant or store.

Mr. Bristol charged that NEUBERGER has now introduced a bill to take property rights

away from the mining industry and give control of this to the Department of Agriculture. This is further demonstration of Mr. Bristol's irresponsible use of wild charges and scare language. What I have proposed is that, in national forests, mining patents should convey title to mineral deposits and full rights necessary to mining operations, including the use of timber, but not title to the surface and timber insofar as not actually needed for mining. This is already the law on eight national forests, including Mount Hood, and in no way interferes with mining.

Under these laws, and my bill, a mining firm can still obtain virtually free of charge the minerals in national forests, and it is free to cut timber for use in pit props, flumes, or cabins. But it could no longer convert the timber and other surface resources, unrelated to the minerals, to commercial gain by sale, as has happened on the Al Sarena patents. This is what Mr. Bristol attacks so intemperately. I wonder what Oregon lumbermen, who must pay high stumpage prices for their Federal timber from the national forests, are to think of Mr. Bristol's insistence that others should continue to obtain their trees for nothing from the United States taxpayers, as the frosting on a patent obtained for the ostensible purpose of operating a mine?

Lumber is the basis for much of Oregon's economy. Josephine County will revive economically only if lumber revives. Yet lumbermen enjoy no such privileges as mining people demand for themselves in the national forests. When a lumberman in Grants Pass or elsewhere pays a high price for national forest stumpage he receives no right to any minerals or oil that may be discovered under the surface of the timberland. Yet mining operators, who receive free of charge the land where minerals might exist, seem to think they have an inalienable right to receive free of charge—and to log commercially—the trees growing on such land.

When the present mining laws were enacted, in the last century, the public lands and resources were so vast that there was little point in protecting the surface resources in granting mining patents. But can this policy still be consistent with the public interest today, when sustained timber yields, and watershed management in the national forests have become of vital importance to many communities and whole States and regions? I am convinced a new balance of interests is needed, and that is why I have introduced my bill to preserve timber and other surface resources in granting mineral patents in national forests.

##### LETTER TO THE EDITOR

If you want to know what actually happened in the Al Sarena case you cannot find out by reading Fay Bristol's guest editorial in the Courier, March 3, 1958, where the truth about Al Sarena is not told.

Because I was accused of fraud and associated with theft, deceit, and scandal, you will understand my wish to comment in your columns on Mr. Bristol's fantastic omissions and inaccuracies.

He ignores completely the main point of the Al Sarena case and tries to make it appear that those of us who protested were fighting industrial development in Oregon. What nonsense.

The scandal of Al Sarena lay in the procedural irregularities of Interior Department Solicitor Davis who, acting for McKay, permitted the introduction of new evidence at the appeal level. He never allowed the Forest Service or the Bureau of Land Management, agencies which had repeatedly opposed the patents on the evidence before them, to see the new evidence or to be heard at all.

What would Mr. Bristol think if the Oregon Supreme Court decided a case on the basis of evidence that had never been before the

circuit court and without allowing it to be tested according to our adversary system?

One of Secretary Seaton's first acts after taking over from McKay was to correct this sorry situation. I checked up on this when I first came to Washington last year and am satisfied that another Al Sarena cannot happen.

I never criticized the McDonalds. I did criticize McKay and Ellsworth for ignoring or defending unfair procedures which were used to give away (and the words apply exactly) valuable timber belonging to all the people.

Along with everyone else in Oregon I want year round steady jobs and diversified industry. Mr. Bristol fails to demonstrate their relevance to the Al Sarena case. I can only conclude that he would have preferred that the procedures, speedily corrected by Mr. Seaton, be left as they were.

Mr. Bristol charges me with fraud. I have committed no fraud on anyone. I admit, as I admitted publicly when it first came to my attention in 1956, that some of the pictures I had taken for Drew Pearson of the Al Sarena area did show cut-over areas which were not part of the Al Sarena logging operation. Rogue National Forest officials assured me the error was hard to avoid.

Who was deceived about what? Rogue National Forest timber was cut. It was valuable timber. These were the facts illustrated by the pictures and admitted by everyone. Nobody was misled.

I have introduced in the House of Representatives the identical bill of Senator Neuberger and others introduced in the Senate, a bill I have been interested in since I came to Congress. It provides for separation of the surface and sub-surface rights, which means that the timber (except timber needed in the mining operation) will not pass along with the mineral rights when a claim is patented.

In some cases a part of the mining industry deserves a subsidy but the occasion and the amount of a subsidy should not depend on whether or not merchantable timber is growing on the claim.

I hardly expected that the Al Sarena case would be an issue this year, the Interior Department having corrected the faulty procedures giving rise to our objections. However, I shall oblige Mr. Bristol or anyone else who claims to know the truth and misses the mark so far.

The issue is important, especially for Oregon where our economic future largely depends on the responsible management of our great federally owned resources, forest and mineral alike.

CHARLES O. PORTER,  
Member of Congress.

## Tax Adjustment Suited to Small- and Medium-Sized Business

### EXTENSION OF REMARKS

OF

**HON. FRANK IKARD**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

**Mr. IKARD.** Mr. Speaker, the need for an ever-expanding economy has been expounded for many years. With the continuous increase in our population and the desire for higher and higher standards of living, the business community has responded by investing vast sums in research facilities and in im-

proved and expanded manufacturing and marketing operations.

The year 1957 resulted in a gross national product of \$434.4 billion—the highest ever achieved by this or any nation. But, underneath those large figures there lurk ominous signs for the future. Indeed, some forces have already slowed down our economic growth in one segment of our economy. I am referring to that segment commonly referred to as small and medium-sized business. It is true that we cannot expect in a growing economy that all branches would grow at the same rate, yet when these differences are significant, a close examination is indicated.

In the Small Business Act of 1953, the Congress authorized the establishment of the Small Business Administration, the purpose of which was to assist small-business enterprises to grow and prosper.

America has long been recognized as the land of opportunity. This act reaffirms the determination of the Congress that the door of opportunity shall remain open to those with foresight and enterprise. Pursuant to the provisions of the Small Business Act, the Small Business Administrator in the ninth semiannual report dated February 18, 1958, reported that the most prominent problem facing small business men throughout the country was the impact of taxes which makes it difficult for some small businesses to accumulate working capital or capital for expansion.

Elsewhere in the report, the administrator indicates that business failures in 1957 amounted to 13,739, or an 8 percent increase over 1956. It is interesting to note that the annual bankruptcy rate for 1957 was 57 per 10,000 businesses compared with 14 per 10,000 businesses in 1947. Indeed, each year since 1951 has seen an increase in the failure rate, except 1955, which was the same as 1954.

Since the beginning of this session of the Congress, the Ways and Means Committee, of which I have the honor to be a member, has heard hundreds of witnesses discuss general economic conditions and the influence of taxation on the operation of our economy. Prominent among these were men who operate small businesses and the representatives of small business associations.

During these hearings which I approached with an open mind, the other members of the committee and I have given careful attention to the testimony presented. Since then, I have given considerable thought and study to this problem. In my opinion, the hearings demonstrated, beyond the shadow of a doubt, small and medium-sized businesses need a tax adjustment—not in their own interests alone, but in the interest of the general public as well. All of us recognize the desirability as well as the need of preserving economic opportunity for such businesses to grow and prosper in our economy. There are many forces now affecting our economy which make hazardous any prediction concerning the future.

Many voices have been raised that we should approach tax revisions with a spirit of caution. Many advise a wait-and-see policy. But the holdout power of small business is limited. The sands

of time have run out for many, and for thousands more relief must come quickly if it is to be helpful.

I must report to you that the hearings held by the Ways and Means Committee demonstrated one fact in this connection which is often lost sight of. That is that one of the greatest problems faced by such business today is its inability to grow and expand in keeping with the expansion that has taken place in our economy. Witness after witness appeared before us stating that greater working capital and more expansion capital were the two greatest needs of small and medium business. Sales and production have gone up for many such businesses and so have their costs of doing business. Replacing wornout equipment, construction improvements, and increase in working capital seem to be the basic need.

It is well to keep constantly reminding ourselves that small- and medium-sized business needs to expand in order to survive in a growing economy. I mention this very important fact because it is a key to the proper adjustment in taxes which these businesses so desperately need.

We are all aware, I am sure, that most small- and medium-sized concerns are unable to secure needed capital in the open market, as their larger competitors can do. They are very often forced to rely on bank loans for their needs. And a great many such firms have already borrowed all they can and should from banks and other commercial lending institutions. Furthermore, many of them need long-term loans for new construction or equipment for which banks cannot supply the funds. In addition, there is a limit to the amounts of money which a small business should borrow. Right now their greatest need is for equity capital, and the chief source of this is retained earnings.

Before I describe the tax adjustment which seems to me to be best suited to the needs of small and medium-sized business today, I should like to say a few words about general tax reduction. The major point I wish to make in this connection is that regardless of whether or not this Congress approves general tax relief, small and medium-sized businesses require individual attention and action. The relative position of such businesses within our economy needs to be improved. General tax relief will help very little in this regard, although it may be necessary for other reasons.

Small and medium-sized business requires individual attention for many reasons. One of these is that the present heavy tax burden falls more heavily on such businesses than it does on much larger enterprises. This is not to say that taxes are a burden only for smaller firms. But the evidence presented before our committee at its recent hearings by Dr. Spencer M. Smith and other witnesses indicates quite clearly that small and medium-sized business is less able to protect itself from the crippling effects of high taxes than are larger companies.

This is not hard to see once you think about the matter. It is clear that Federal income taxes applied to business

constitutes a drain, and very often a serious drain, on earnings. The more a business pays to the Government in taxes, the less it has available to plow back into its operation. As a consequence, it has to seek more money from other sources. We know such sources of additional capital available to small and medium-sized businesses are severely limited because of their size. Businesses in this category cannot generally acquire additional equity capital on the open market through the issuance of stock. By and large they cannot obtain long-term loans from such institutions as insurance companies. After studying this problem, it is clear to me that small and medium-sized businesses are pinched very hard by high taxes because they depend in large measure on retained earnings for current operating needs as well as for expansion. If Congress is to deal with this matter adequately, it has to take this important fact into account.

In our study of the problems of small business, we have the benefit of the hearings conducted by the Select Committee on Small Business of the United States Senate. This committee, under the chairmanship of Senator SPARKMAN, conducted hearings in 14 cities throughout the country at which 293 businessmen appeared personally before the committee, and another 163 offered written testimony. The Senate committee purpose was to determine how Federal taxation affected the small business segment of the economy.

Most of the witnesses stated the greatest problem was the inability to keep up with an expanded market because of their inability to obtain the necessary funds for plant modernization, and inventory, and credit expansion. In discussing their findings, the Senate committee reported:

Your committee, after careful examination of the hearing record and study of various proposals advanced to provide businesses with funds for necessary development, finds that an allowance for profits reinvested in business will best accomplish the desired end by way of a tax adjustment.

In addition, the committee reported:

Most of the witnesses testified in favor of a reinvestment allowance, and there was no substantial opposition. This unanimity of thought and opinion was very impressive to the committee.

Pursuant to these findings, several members of the Senate Small Business Committee joined the chairman in submitting S. 3194 which would amend the Internal Revenue Code providing the tax adjustment for additional investment in business.

May I also call to your attention the fact that our distinguished colleague, Mr. PATMAN, of Texas, chairman of the House Small Business Committee, in his bill, H. R. 9957, has incorporated the principle of a tax adjustment based on reinvested earnings.

In introducing the bill, Mr. PATMAN stated that the witnesses who had appeared in the public hearings of the House Small Business Committee were unanimous in the statement that one of the most serious problems of small business financing is that of the tax burden

on the very small concerns. The witnesses pointed out that, while the large corporations have access to capital through large, well-organized facilities, the small business concern must rely upon what it can retain from its earnings for investment in plant and equipment to meet the demands for survival, expansion and growth.

Another matter of some concern is the high rate of mergers and acquisitions taking place. Many small and medium-sized businessmen are selling out to larger concerns. If this trend continues for many more years, it is bound to produce growing competitive problems for small independent concerns.

Estate taxes play a major role in motivating mergers and acquisitions. Many independent businesses are owned in large part by one or a few individuals. Most of their assets are tied up in their business. On their death, the Treasury Department places a valuation on all the assets in their estates. This tax falls due 15 months after date of death, and its payment frequently requires the liquidation or financial impairment of the business in order to raise the funds with which to pay the estate tax.

So it is that in too many cases the individually or family owned business is placed in a dangerous position in the event of the death of its major owner. In anticipation of such a family catastrophe, businessmen are encouraged by their tax advisers to sell out while they can to protect their families and loved ones, as well as to make the jobs of their employees more secure.

Certainly the least that Congress should do is to stretch the payment of the estate tax over a period of 10 years. Reasonable interest could be charged the owners of these closely held business enterprises. Another helpful step Congress may consider is one permitting business owners to purchase tax-anticipation certificates. These certificates would carry no interest but would be excluded from the taxable net estate. This is a fair arrangement as the Government would have the use of the proceeds of such certificates without paying interest.

May I point out that both the Senate and the House Committees on Small Business have come to the same conclusion that the Government's estate tax provisions are encouraging mergers at an alarming rate. Members of both committees have included similar provisions for easing this burden in their proposals to aid small business.

Consideration of all these factors has prompted me some time ago to introduce a bill which would allow all businesses (incorporated or unincorporated) to deduct from business net income, for tax purposes, an amount equal to additional investment in depreciable assets or inventory during the taxable year, but not to exceed 20 percent of such income or \$30,000 whichever is the lesser. The bill defines additional investment to include an aggregate increase during the taxable year of (1) all depreciable property used in the trade or business, (2) all stock in trade held primarily for sale to customers in the ordinary course of the trade or business, and (3) all open accounts re-

ceivable attributable to sales to customers in the ordinary course of the trade or business.

My bill provides no artificial or arbitrary definition of small business. All business, large and small, would be benefited, with the smaller concerns receiving the relatively greater help.

Also of interest during this current economic downturn is the provision that no tax saving accrues except through business reinvestment. Now is the time for confidence in the future, and Congressional approval of the principles embodied in this legislation will generate renewed business energy and expansion. The stimulation thus provided will broaden the tax base for increased revenue in future years.

But this bill is not designed for the purpose of reversing the current slowdown in economic activity. Its first purpose is to preserve small- and medium-sized businesses and permit them to grow and prosper out of retained, after-tax earnings. May I emphasize once more, small and medium-sized businesses had great difficulty in holding their own long before the current slowdown. Indeed, their difficulty has contributed significantly to the unhappy trend we now witness.

Another provision of my bill allows the representative of an estate having 50 percent or more of its gross valuation in stock or investments in one or more closely held business enterprises to elect to make installment payments on the estate tax due over a period not to exceed 10 years.

A third provision would allow a person to purchase tax-anticipation certificates up to \$100,000 which, on his death, would be receivable in payment of the estate tax and would be deductible from the value of the gross estate for tax purposes.

These are the principal provisions of the bill which I have introduced. It is similar to H. R. 5735, introduced by my esteemed colleague on the Ways and Means Committee, Mr. CURTIS of Missouri. The principal difference between Mr. CURTIS' bill and mine is that, in my bill, open accounts receivable would be added to the aggregate additional business investment for the purpose of figuring the tax adjustment.

The reason I have added this provision to the bill is that it seems in harmony with the principle of allowing increased inventories to be considered as a part of additional business investment. Many small businesses could not increase inventories without, at the same time, increasing the credit they must extend to sell the merchandise.

It is my sincere hope that every Member of the House will give diligent study and due consideration to the plight of small business. I know that my colleagues on the Ways and Means Committee have been impressed by the seriousness of the problems of these smaller concerns in their search for funds to provide for normal business expansion. I suggest the principle of a tax adjustment based on reinvested earnings as the most meaningful solution to this critical problem. These small concerns

are the wellsprings of individual initiative and free enterprise in this country. Let not history write that a free government cannot create the economic atmosphere in which they may grow and prosper and, by so doing, make America grow and prosper.

### The State of the Unions—Now

#### EXTENSION OF REMARKS OF

#### HON. RALPH W. GWINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1958

Mr. GWINN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered before the National Metal Trades Association at White Sulphur Springs, W. Va., on March 23, 1958.

This is similar to a speech I delivered almost a month ago in Pittsburgh, Pa., but contains additional material of more significance to an audience composed of businessmen. The address follows:

#### THE STATE OF THE UNIONS—Now

Last month I was visited by one of the most prominent businessmen in America. At one time he was president of the largest of all America's trade associations. His company maintains an office in Washington. He had contributed toward the tens of millions that the business world contributed for the reelection of President Eisenhower—but hardly a dime, and little time, for the election of a Congress.

So this man wrote the President a thoughtful letter outlining what he regarded as "must" legislation in labor-management relations. His proposals were that:

- (1) Compulsory union membership requirements should be abolished by Federal law;
- (2) Antitrust laws should be extended to cover the activities of organized unions;
- (3) There should be further prohibitions against secondary boycotts;
- (4) There should be an effective prohibition against union political actions; and
- (5) Mass violence should be subject to Federal law.

These all are sound proposals.

The trouble is that our industrial leaders do not realize that while the businessmen were electing a President in 1956, the AFL-CIO was electing a Congress. The Congress enacts all laws, not the President. The President may propose. The Congress can act or not, as it sees fit.

I had to tell my visitor that his proposals hadn't a ghost of a chance in this Congress. They will have even less chance in the next. He was startled, but he was startled too late.

In the 1956 elections organized labor was active in 300 of the 435 Congressional District elections—and were successful—that means that their man got elected—in more than 175.

And when I say the unions were active, I mean just that.

In addition to direct money contributions, labor-supported candidates received incalculable numbers of free campaign workers, union treasuries paid for untold hours of radio and TV time, "friends" of the candidate inserted expensive full-page ads in the local newspapers, wives of union men manned telephone brigades contacting voters, teen-age sons and daughters undertook baby-sitting

chores while mothers and fathers went to the polls. Meanwhile, the labor press gave full play to the election, and the merits of their particular candidate. Special election editions were issued and distributed.

In terms of known reported spending we have already counted more than \$2,200,000 spent or contributed by national and international unions, exclusive of all State and local unions. One Senator benefited in an amount of \$725,000 in 1954 from one union for his campaign. The total for all the States will run, of course, high in the millions. Organized business, by comparison, spends virtually nothing in time or money to elect Congressmen or Senators. Individual business leaders with rare exceptions are just as bad.

Let's look at just one campaign, in 1954, by one union, for one Senator. Special election radio and TV broadcasts cost for time only, with no allowance for staff, script preparation, reprints of talks, was \$250,000. Special election editions of regular publications, extra copies to distribute outside the regular union membership ran to another \$175,000. And then, on top of all this, this union hired 500 "special organizers" (payroll title for political workers) at \$20 per day for the 30 days just before election. This cost another \$300,000, exclusive of expenses or other services. This gives us a total of \$725,000 spent by the United Automobile Workers, CIO, in support of Senator McNAMARA in Michigan in 1954.

What were the other unions doing in Michigan that year? For this, we turn to the reports filed with the Clerk of the House of Representatives.

The national AFL's Labor League for Political Education (this was before the merger) reported spending \$19,124.73 on political activities within the State, the national CIO political action committee another \$43,500, and so on, for a grand total of \$116,091.81, in addition to the "indirect" and, therefore, unreported costs already noted.<sup>1</sup>

This gives us a new total for the State of Michigan of \$841,000 as a reasonable estimate of known and reported spending by the political affiliates of organized labor. From case histories, we know that actual expenditures are more than 10 times those required legally to be reported. This means that approximately \$10 million was spent in Michigan alone.

In 1956 union political workers were active in 30 of 35 general election contests for the United States Senate. Michigan was one of the more bitterly fought contests in 1954, but similar and equally large figures are available for Illinois (Senator DOUGLAS), Minnesota (Senator HUMPHREY), and Tennessee (Senator KEFAUVER), etc.

What would it all add up to if we had all the available reports analyzed and tabulated, plus the case histories we have, for a few contests?

If the unions spent only half as much in the 30 senatorial contests in 1956 as they spent in Michigan in 1954, it would amount to \$150 million.

Or, to estimate on another basis:

Total union income, per year, is \$620 million, exclusive of welfare and pension fund payments. If we assume that 10 percent is spent for political purposes (a recent study of union publications shows that more than sixty percent of the space is devoted to political and legislative news), we would arrive at a figure of \$62 million for political purposes annually, or a total of \$124 million for each biannual election of Members of the House and Senate.

It seems utterly fantastic.

Is it any wonder that few pieces of legislation pass contrary to the recommendations of the leaders of organized labor?

The 1st session of the 85th Congress passed no such legislation; neither did the entire 84th Congress; and I defy anyone to point to a single bill in the present session of the 85th that has a chance of passing if it is against the will of the AFL and CIO.

Let's look at the situation today inside the House Committee on Education and Labor.

A national "right-to-work" law was proposed in the committee almost 4 years ago, but lost by a 3-to-1 vote; to be exact, 18 to 6. Today it seems clear that two-thirds, viz, 20 out of 30 members on the Education and Labor Committee would vote against a "right-to-work" bill. The union bosses are against the "right-to-work" unless the workers join the union. They favor compulsory unionism.

Another proposal, long favored by business, the application of the principles of antitrust law to the activities of organized labor was also proposed in 1954. It lost. At the very least, 20 of the 30 members would vote against this today.

In the Congress, we find that 216 Members of the House and 45 Senators voted a majority of the time last year in accordance with the recommendations of the Americans for Democratic Action, a front organization for most of the left-wing pressure groups, including labor.

That's how much Congress has changed since 1947. In that year, the House passed the Taft-Hartley Act over the veto of President Truman by a vote of 331 to 83. Today 216 Members vote more than half the time with the leaders of organized labor.

Both the AFL-CIO and the ADA favor all socialistic proposals of all kinds. Suppose the issue is schoolroom construction assistance out of the Federal Treasury? The Congressmen elected by organized labor are right there for it. Foreign aid, public housing, public power, Government lending and banking? It is the same answer. Whatever legislation is passed which adds to the power and authority of the Federal Government and reduces the property and freedom of the individual, even if it has destroyed States rights, they have supported it.

To paraphrase, "the road to socialism is paved with good intentions—and active fighting support—of the leaders of organized labor."

This is exactly as described by Garret Garrett as long ago as 1944 in "The Revolution Was." (Caxton Printers, Ltd., Caldwell, Idaho.)

What's being done about it?

Nothing. Nothing at all.

Businessmen in general think a job is being done, but by whom? My visitor didn't know the simplest facts regarding the legislative situation. He was completely unaware of the progress that had been made by the labor leaders in taking over the Congress and the Government. Nor was he aware that business hadn't even tried to meet the threat.

Now there has to be a reason for such ignorance and failure by organized business.

And there is a reason.

The business associations of this country are simply not telling their members, and the public generally, the truth. Business is not really aware of its danger.

The average businessman is "milk fed" by the representatives of business in Washington, including the trade associations, the Washington offices of big corporations, and Washington lawyers who have business clients. These men who work for business in the Nation's Capital must, I suppose, justify being in business themselves, but what a disservice they are rendering business by keeping their members and clients out of politics!

Whatever the reason, the Washington representatives of business have created the illusion that this Congress, or the next, will

<sup>1</sup> Statistics by courtesy of Association for Industrial Mobilization, Washington, D. C.

do something—or maybe the next President will—or somebody, other than themselves, will do something to solve their problems.

Even some of the best informed businessmen in their own fields in this country still cling to this illusion—that this Congress, as badly constituted as we know it to be, might be persuaded by means of lobbying and committee hearings, to do what it should. They are wrong; a sound tax program is impossible; so is any reversal of out and out socialist measures at home; we can't even reduce aid to out and out Socialist governments abroad, etc.

Business has failed to protect itself, and in its failure, has failed to protect the country from the mad rush toward more and more socialism which we are now seeing in all our Government policies. There is not one reversal in sight.

The average businessman must belong to literally dozens of different trade associations, chambers of commerce, conservative organizations. Official Government statistics tell us that there are 1,700 national trade associations, 600 regional groups, 2,000 State associations; to this we must add 7,500 local associations, 5,000 chambers of commerce, 10,000 luncheon and service clubs, and 300 management organizations, all adding up to almost 30,000 different organizations.

That is impressive. With so many organizations, it would seem that the businessman would at least be informed of some of the facts of our political life. It would seem that he should be so frightened or angry—or patriotic enough to have long since taken the necessary steps to protect his business and his family.

But he hasn't. Like Rip Van Winkle he has been dead asleep for 20 years—all through the revolution. When he awakens, he'll find like Rip did a new sign over the door of the inn he used to frequent. It will be the symbol of an entirely new Government that won the war he didn't even know had been going on. Will it be the clasped hands of the AFL-CIO over America?

A recent issue of the NAM News devotes a third of its space to the latest—the very latest—resolutions passed by the manufacturers' board of directors in its very latest meeting at Boca Raton, Fla. Among other things, they propose that the Congress cut the Eisenhower budget by \$4.5 billion. Why, believe it or not, that sounds like the same resolution that they have been passing for years and years. The budget continues to increase.

The United States Chamber of Commerce has just finished a series of what it calls Air-arcades. Thousands and thousands of businessmen all over the country will gather in local meetings to be told what they should think, what they should resolve, and then—send a copy to Congress. Although I was told personally by the president of that great organization that "at least one reference" would be made to the need for political action the first Air-arcade circus in New York managed to avoid the dirty word "politics" altogether.

By way of explanation I was told that "we didn't and couldn't ask the business organization to get into politics. \* \* \*

Yet without political action their resolutions will go the way nearly all such resolutions have gone for years.

If only a small portion of the money now being spent by and for these thousands of business associations could be spent precisely as the unions spend theirs, and if their personnel might be employed in downright political action to restore sound government, then we might begin to see a few rays of hope. Business associations must stop looking for excuses to stay out of politics. Their legal counsels must stop telling them

what they can't do. They must tell them what they can do if they only wanted to.

It is our only hope. Organized labor is subject to exactly the same restrictions against political action as business associations, yet look what they have done in building a mighty political machine within the last 10 years. In fact, organized labor has blazed the trail to show business associations how political activities can be carried on without violating existing Federal statutes.

Business is the only segment of our society—besides labor—that has adequate organizations to do the job that must be done. If the associations continue to rely on resolutions (as to what somebody else should do), educational programs, publicity, going through the motions of lobbying, conventions, Washington representations of all sorts, letterwriting campaigns to the few remaining Members of Congress who agree with them, or to the many Members of Congress who will never agree, we might as well resign ourselves to a continuance of life under a labor-Socialist government for a long time to come. It is here today. It is no longer just a threat.

We cannot rely on the political parties to stop labor's political power. By their very nature, they must court that power. Right now labor can muster more votes on most critical issues than either political party.

What can be done?

Right now in each Congressional District a half dozen political leaders in each party are deciding who shall run for Congress. An equal number of the leading businessmen, if they really cared and represented business, could exert a strong influence on this selection and who gets elected. At present business is so uninformed that few businessmen know or care about the next Congress. As a result, candidates committed to the labor-Socialist philosophy of Government are being designated for nomination. They will be elected to Congress to get special favors for the special groups who are organized to put them there. Oddly enough, these groups are small minority groups, including labor itself. Ten percent of the vote organized is more than enough to hold the balance of power in most districts and win the elections. The others vote along traditional lines for one party or the other.

Then after election, business, through its thousands of organizations will spend millions upon millions to present the validity of its ideas to Members of Congress already pledged to be against them. Does this make sense?

For example, millions have been spent within recent months to promote a sound and crying necessity for revision of the tax laws. It's a good program, but it will never pass this Congress. The horse is already stolen—the lock, the barn door, and the barn too, for that matter.

The business tax program was doomed before it started. Now the labor leaders will ride the crest of the wave for tax reductions and get it where they want it: in the lower income brackets, and the deadly Marxian progression in our tax system will be intensified and continued.

Our business organization genius must be put to work—the same genius that has organized great industry and provided the capital and tools of production on which labor itself depends. Business associations must now do the same to maintain law and order under which we all live and work.

The conservatives in Congress will not be satisfied any longer with programs of the mammoth trade associations, chambers of commerce and other business organizations designed to impress upon their members the necessity for individual action, but

which overlook the fact that it is the associations themselves who must act.

We are told to depend upon individual businessmen for political action. This is to expect a miracle.

We know that many businessmen who want to do something are afraid for their own safety and for the future of their business. We are told that businessmen who assert themselves against labor's encroachments have to fight the many subversive elements who have made labor the beneficiary. There are not many companies with the courage of Kohler or Perfect Circle. We cannot hope for individual businessmen to take on the political action machine of organized labor. It is only the business associations who are strong enough to do so.

Individual businessmen cannot function without an organization, without leadership, without funds. Unorganized individuals cannot get political results—particularly when their own associations broadcast optimistic Washington reports, telling of all the lobbying activities, the programs, the resolutions, and meetings—the educational campaigns, and all the other ineffective activities by which most business associations justify their continued existence in Washington.

For them to confess legislative and political impotence would weaken the intense competition for bigger and better memberships. Yet until they do confess their impotence these associations in and of themselves constitute the biggest obstacle to effective political action. They hold out false promises that keep businessmen from knowing what should be done.

Here is what the individual businessman should do:

1. Demand that local business associations become active in political affairs immediately. This means organizing to ring doorbells, to establish telephone brigades, to collect political contributions. It means registration and voting drives. It means providing opportunities for candidates to get their views across.

2. Demand that State and National associations, chambers of commerce, and other conservative organizations to which you undoubtedly belong begin to produce the kind of "educational" political material your local organizations need.

Get the facts. Find out what the representatives in the House and Senate are doing, how they are voting, whom they represent, who put them there, who paid for their campaign, and what the real effect of union political action has been. Of utmost importance is a detailed comparison, issue by issue, between individual voting records and the stated policies of your business associations.

Here are some of the things individual businessmen should not do:

1. Don't be stopped by any of the usual arguments that political activity by business associations is against the law, or not in accord with tax regulations. Most activities which appear to be political are not against any Federal law whatsoever. The Treasury Department does not even have a regulation on the subject of political activity by business associations.

2. Don't rush out and start another organization until you are convinced that the ones to which you already belong will not do a political job.

If you are asked for increased dues for a political education program, be certain that it is what needs doing and that none of the usual association activities can be curtailed to provide the money.

If the businessmen of America who already have and are paying for tens of thousands of associations, chambers of commerce, etc., won't see to it that men are elected committed to restoring constitutional gov-

ernment, who else will? If they do not, the labor bosses will continue to set aside the constitutional limitations on government and substitute the unlimited powers of the Socialist state instead. Our labor bosses are closely associated with the world labor bosses

who have already done this in the rest of the world.

As was stated by Donald R. Richberg, in his latest study of union power entitled "Labor Union Monopoly," "labor's economic monopoly and political power are preparing

the way for communism far more effectively than the Communists themselves."

Business organizations and associations must provide the leadership, the money, and the manpower for business political action. And they must DO IT NOW.

## SENATE

TUESDAY, MARCH 25, 1958

(*Legislative day of Monday, March 17, 1958*)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, who bids the light of the day to shine out of the darkness when morning gilds the skies, we would still our hearts for this hallowed moment as we bow for the benediction of Thy loving kindness, fresh every morning; for

New mercies each returning day  
Hover around us while we pray.

Grant us this day to live on the altitudes of our aspirations. As servants of Thine and of the peoples of this shattered earth, stricken, groping, starving, reaching out for more abundant life, save us from false choices, and guide our hands and minds to heal and feed and build and bless. We ask it in the dear Redeemer's name. Amen.

### THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 24, 1958, was dispensed with.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

### COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the following committees were authorized to meet today during the session of the Senate:

The Committee on Banking and Currency,

The Committee on Agriculture and Forestry, and  
The Committee on Finance.

### EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

### EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the

President of the United States submitting the nomination of Mendon Morrill, of New Jersey, to be United States district judge for the district of New Jersey, which was referred to the Committee on the Judiciary.

### EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. GREEN, from the Committee on Foreign Relations:

Robert Newbegin, of New Hampshire, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Honduras;

Horace H. Smith, of Ohio, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Kingdom of Laos;

James S. Moose, Jr., of Arkansas, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Republic of the Sudan; and

Robert F. Woodward, of Minnesota, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Uruguay.

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the calendar will be stated.

### UNITED STATES CIRCUIT JUDGE

The Chief Clerk read the nomination of Oliver D. Hamlin, Jr., of California, to be United States circuit judge for the ninth circuit.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

### UNITED STATES ATTORNEY

The Chief Clerk read the nomination of Donald E. Kelley, of Colorado, to be United States attorney for the district of Colorado for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

### UNITED STATES MARSHALS

The Chief Clerk proceeded to read sundry nominations of United States marshals.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of all nominations confirmed today.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

### LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

### TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour for the transaction of routine business, and that statements made in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

### APPOINTMENT OF STAFF MEMBERS OF THE SENATE SPECIAL COMMITTEE ON SPACE AND ASTRONAUTICS

Mr. JOHNSON of Texas. Mr. President, for the information of the Senate, I should like to announce that, after consultation with the distinguished ranking minority member of the Senate Special Committee on Space and Astronautics, the senior Senator from New Hampshire [Mr. BRIDGES], I have made the following appointments to the staff of the committee:

Edwin L. Weisl, of New York, consulting counsel.

Cyrus R. Vance, of New York, consulting counsel.

Dr. Homer Joe Stewart, of California Institute of Technology, scientific consultant.

Mr. Weisl and Mr. Vance served as special counsel and assistant counsel, respectively, during the inquiry by the Senate Armed Services Preparedness Subcommittee into the Nation's satellite and missile programs.

Dr. Stewart, a professor of aeronautics, served as technical consultant during the same inquiry.

Mr. Weisl and Mr. Vance have such heavy commitments that they cannot possibly serve the Space Committee on a full-time basis. But they have agreed to advise and consult with the committee, and the knowledge they gained during the Preparedness Subcommittee investigation will be invaluable.

Dr. Stewart is one of the best informed men in his field. The work he did for the Preparedness Subcommittee was impressive, and we are fortunate that once again he has agreed to offer his services.